



NKETOANA LOCAL MUNICIPALITY

20

09/10

Annual Report



VISION

An accountable governance that develops, promotes and cultivate an integrated society through service excellence and sustainable development

MISSION

- To render basic services in an excellent and efficient manner
- To promote sound and transparent financial management in accordance with the Municipal Financial Act
- To provide a democratic and accountable government for the local community
- To accelerate programmes that will help meet the socio-economic needs of
- Nketoana residents



**P.O Box 26
Reitz
9810**

**Cnr. Church & Voortrekker
Reitz
9810**

**Tel: 058 863 2811
Fax: 058 863 2523**





NKETOANA LOCAL MUNICIPALITY



Annual Report 2009/2010



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CHAPTER 1

1. INTRODUCTION AND OVERVIEW

1.1 FORWARD BY THE MAYOR

The contribution of Nketoana Local Municipality to the promotion of decent livelihood to its communities has been made conspicuous by the firm foundation that has already been laid to meet the vast challenges of service delivery. Notwithstanding the fact that the year under review was characterized by a few number of community uprisings, the Municipality was able to make significant impact in addressing those issues including among others community consultation meeting where all the misunderstandings were addressed and reports on the status and attainments of the municipality were discussed. There is an enormous need from the municipality's view point to enhance communication and information flow between Councilors, the Council's administration and our communities.



The continuous task of aligning the budget with the Integrated Development Plan (IDP) remains a key priority to the municipality. This is made feasible through pursuance of the ideal democratic governance, accountability, and transparency through improved community participation and enhanced customer care models.

The Municipality's willingness and ability to excel on the priorities and the deliverables is found on the five key strategic areas. Smoothing of relations with communities, sector departments and other stakeholders is of critical importance to our municipality, as it sets an enabling environment to can effectively address issues of poverty and unemployment which remains at the center of our commitment to date.

As part of the Municipality's growth path, one key measure is to transform our economy towards a more labour- absorbing and dynamic one. The council has set out clear strategic principles in determining activities to ensure that there will be a continued rendering of reliable, sustainable and quality services to the communities.

The municipality's utter most appreciation goes to the sector departments and Thabo Mofutsanyana District Municipality for their unwavering support, the communities of Nketoana Local Municipality for their ceaseless co-operation and colleagues for their able undying guidance.

Cllr. Mandla Mamba
Mayor



1.2 OVERVIEW OF THE MUNICIPALITY BY THE MUNICIPAL MANAGER

The year under review saw the municipality focus exclusively on managerial and strategic initiatives of the management team which transformed and empowered the municipality. These have created the necessary enabling conditions, structures, systems, policies, and practices. The primary objective for these efforts remains ensuring that the Municipality is people-based and responsive in all its endeavors to deliver quality services.

On regular basis the municipality considers the contributions and inputs from our political principals, members of staff, ward committees and presentations/submissions from the general public, as profiled in the Integrated Development Plan (IDP) and translate these strategic imperatives into actionable plans and activities which in the main remain the key priorities of the municipality.

Performance management systems, fraud prevention initiatives and risk management plans have been at the centre stage of the municipality's strategic objective to ensure efficient and effective management.

Communicating with and responding to the needs of our communities by improving community participation and establishing customer care centers must remain the municipality's main priority, as must improved emphasis on implementation of Council resolutions and adherence to policies and procedures, which will release valuable measures for development in other managerial areas.

The municipality undertakes to provide consolidated strategies, structures, systems and programmes to render high levels of service delivery to our communities and comprehensive reports to our political principals to exercise their oversight mandate.



SJ Thomas
Municipal Manager



1.3 EXECUTIVE SUMMARY

1.3.1 PROJECTS: 2009 / 2010

1.3.1.1 MAMAFUBEDU: SEWER AND RECYCLED NETWORK AND TOILET CONNSTRUCTURE MIGFS/4147/S/07/09

Progress: Project is almost complete.

Work done: 90%

Consultant:

Contractor/s:

1.3.1.2 NTHA: PAVING OF 6 KM ROAD MIG/0495/R,ST/08/11

Progress: The project started May 2009 and will be completed December 2010

Scope of work: 6 km of paved road

Consultant:

Contractor/s:

1.3.1.3 MAMAFUBEDU: PAVING OF 6 KM ROAD MIGFS/0493/R,ST/08/11

Progress: The project started October 2009 and will be completed November 2010

Scope of work: 6 km of paved road

Consultant:

Contractor/s:

1.3.1.4 PETSANA : PAVING OF 6 KM ROAD MIGFS/0494/R,ST/08/11

Progress: The project started October 2009 and will be completed November 2010

Scope of work: 6 km of paved road

Consultant:

Contractor/s:

1.3.2 WATER

Nketoana Local Municipality does not have sufficient water in all the units. We have bulk water problems in Arlington/Leratswana as well as in Petrus Steyn/ Mamafubedu. For Reitz/Petsana there is sufficient bulk water with the Liebenbergsvlei as source. Petrus Steyn/Mamafubedu is serviced from Reitz. Lindley/Ntha is receiving water from the Valsriver, but it is not a stable source because it is highly dependent on adequate seasonal rain. Secondly insufficient provision of water exists because of an inadequate catchment area.

Arlington/Leratswana is receiving water from a borehole. It is at this stage adequate for human consumption, but will not be adequate to service water borne sewer systems. We are currently busy with a proposal to the Department of Water to obtain funding for bulk water supply. The implementation plan is in an advance stage and we anticipate that treasury will approve the proposal. There is a considerable backlog in metered water in almost all the townships. Our current backlog is 2690 households in Ntha and 1680 in Leratswana. We have installed 800 water meters in Ntha. We had a serious challenge on the quality of water in Leratswana but we were able to solve the problem.

1.3.3 SANITATION

The sanitation services are still a mixture of several methods. Most of the households are serviced by a fully water borne system. In Mamfubedu a pilot project is in progress where "grey" water is going to be used for the water borne sewerage system. The "grey" water is treated less than water fit for human consumption and thus less costly. This



is an effort to overcome the lack of bulk water supply. The package plant and the pressure tower and a 40 mega liter reservoir were completed. On 30 June 2010 1500 out of 2500 houses were connected and fully functional. We are in the final testing phase and the project should be completed in the first quarter of 2010/2011. In Ntha the bucket system is almost eradicated. Due to lack of bulk water, the progress is however not as quick as hoped for. In Ward 9 in Petsana 230 houses were connected to the sewer system and 145 toilet structures were built. In Petsana as well as Ntha, all the pipes blocked by sand were replaced. In Arlington/Leratswana serious problems due to lack of bulk water supply still exists. Sanitation is provided by suction pits, VIP Toilets and the bucket system. There is a project running to clean the VIP Toilets as the de-composure function of the system is not adequate and results in overloaded toilets. Although the VIP Toilets are an upgraded sewer service from the bucket system, the community is not satisfied with the VIP systems and demand full waterborne systems. A solution to the bulk water supply is awaited.

1.3.4 LANDFILL SITES AND REFUSE REMOVAL

There are landfill sites in all units but not of adequate capacity. At this stage the process of registration and obtaining permits for the sites is in progress. The sites lack proper fencing as well. In Reitz, PetrusSteyn and Arlington relocation of the sites are required. In Lindley a new site must also be developed very urgently. This is a serious need and to ensure that the environment be protected, no time should be wasted to complete these processes. Access control to the sites is of vital importance. Un-controlled dumping can have serious consequences for the Municipality. The municipality need to implement recycle projects to lessen the Carbon Footprint left by the Nketoana.

1.3.5 ELECTRICITY

The distribution of electricity is done by the municipality in some areas and by Eskom in other areas. In some areas like Leratswana, newly developed residential areas are still without electricity due to the fact that Eskom has to provide it. The municipality stays in close contact with Eskom on this matter and keep on pressing for service. Our biggest challenge is the electricity losses which is currently estimated at 40%, in monitory terms R 7 million. We have upgraded the electricity network in Ntha for R 560 00 and we still need to increase our network capacity.

1.3.6 HOUSING

The backlog in housing is informed by a living waiting list kept by the Housing section in the department of Community Services. Applications for housing subsidies are regularly submitted to the provincial Housing sector. The backlog is also a result of a shortage of land for human settlement.

1.3.7 CEMETERIES

There are adequate cemeteries for the immediate need in all the units. However, in PetrusSteyn there is an urgent need for more cemeteries. It is envisaged that all areas will be properly fenced to prevent damaged to graves. At this stage the maintenance of the areas is problematic due to shortage of staff.

1.3.8 LIBRARIES

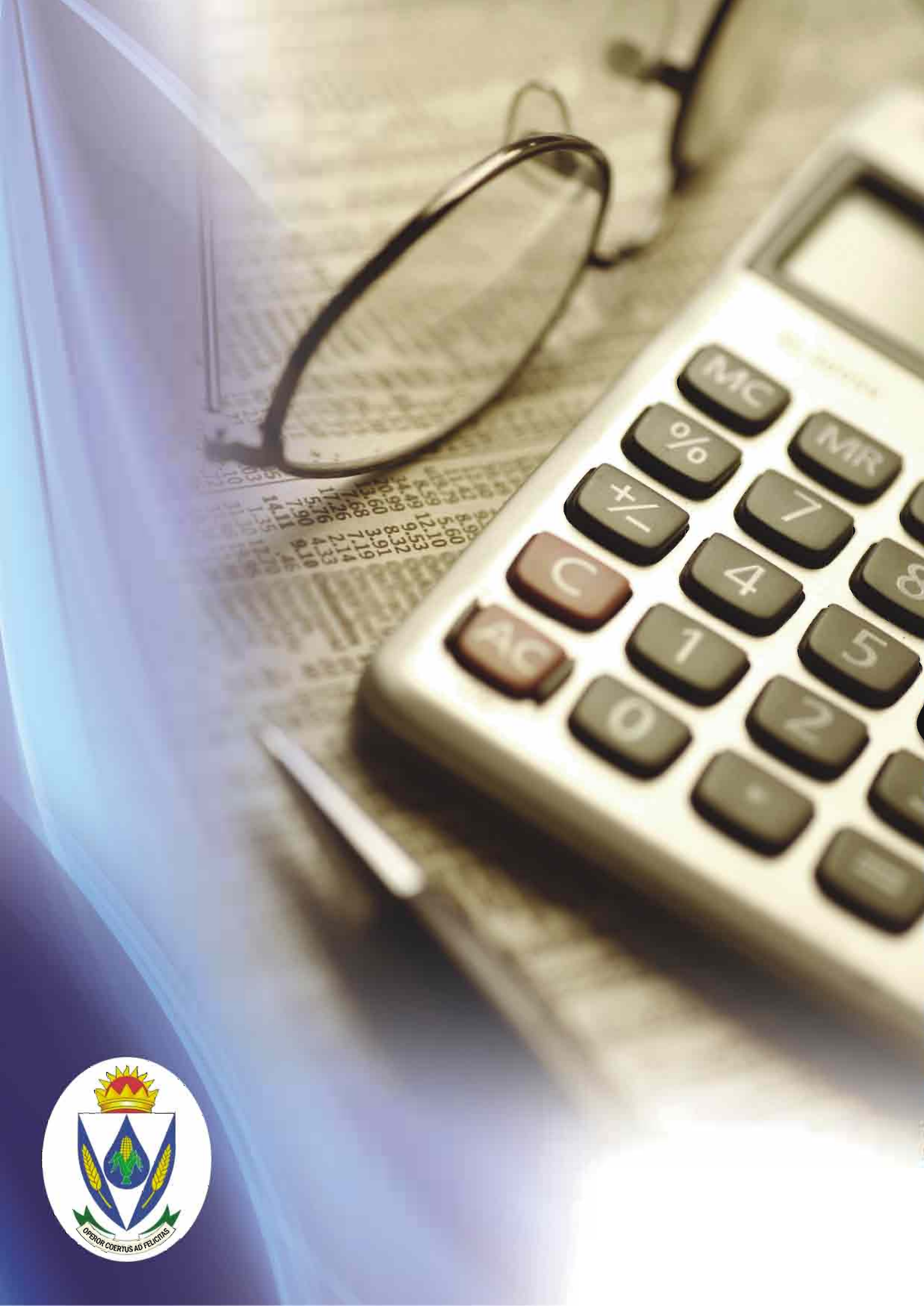
There are libraries in all units. Most of it is in proper buildings. The stock is provided by the Provincial Government and is of a well balanced nature. There is also equipment provided to allow access to the Internet for library users. The libraries serve about 4000 members including adults and children. The library hours are from Monday to Friday. During school holidays programs are provided for the children at the libraries like story



hours and activity programs. In Reitz a special service is provided to old age and house bound people. At this stage it is only Arlington/Lerastwana that still has no proper building. It is however in the planning stage at the Provincial Government and should be provided in coming years.

The Nketoana municipality succeeded in providing the basic services to the urban communities in its jurisdiction of a high standard. It is in the process of gradually closing the gap between previously disadvantaged areas to provide equal services to all. However, in the field of rural development and provision of services, much work must still be done. The municipality is aiming at reaching the stage where all residents within its jurisdiction will be provided by services.





CHAPTER 2

2. PERFORMANCE HIGHLIGHTS

2.1 BACKGROUND

The National Government is taking the acceleration of service delivery as a key priority in the agenda of local government. Certain targets were set for different services. The eradication of the Bucket system as sanitation was the first target to be reached. The VIP systems were provided to communities as an upgraded sanitation system, but it was not acceptable for the communities. The communities insisted on full water borne systems. This was resulting in further challenges of sufficient bulk water supply to operate such water borne systems.

The road, street and storm water management systems in all the units of the municipality are in serious need of maintenance and upgrading. Although there is already quite extensive km of tar roads existing in the units, the backlog is still immense. The gravel roads over the whole of the municipality are in a poor condition. It is envisaged that gravel roads will systematically be replaced by paved surfaces instead of tar surfacing. The paved roads are durable and labour intensive.

The storm water management systems need serious upgrading and maintenance. In most of the areas storm water management is nonexistent. This is also an area that needs serious attention.

The entrance points in all areas are in a bad condition and need attention urgently

2.2 BACKLOGS IN SERVICE DELIVERY



2.2 BACKLOGS IN SERVICE DELIVERY

THABO MOFUTSANYANE DISTRICT MUNICIPALITY				
NKETOANA LOCAL MUNICIPALITY				
LERATSWANA - ARLINGTON				
WATER & SANITATION BACKLOG ASSESSMENTS AS AT 31 MARCH 2010				

STANDS								
Town	Existing	Approved (Greenfields)			Accepted (y/n)	Formalised		
Leratswana	1600	300			N	1600		
Arlington						80		
WATER								
Communal Water Purification Plant					Y			
Communal Bulk Supply to Reticulation reservoirs					Y			
Communal Reticulation Reservoirs					Y			
Communal Supply to Reticulation Networks					N			
Description	Current	Need	Backlog	Capacity	Length	Rate	Costs	<RDP Stds
Water Purification								
* Capacity (Ml/d)	1.04	1.50	0.46	0.50 0.00 0.00		R 6 000 000.00	R 3 000 000.00	
* Refurbishment (%)			10			R 6 000 000.00	R 624 000.00	
Bulk Supply dia (m)	0.10	0.15	0.11		300	R 300.00	R 90 000.00	
Hard rock adjustment (%)			50			R 300.00	R 45 000.00	
Water Reticulation (1m deep)								
Reservoir capacity (Ml)	1.30	2.50	1.20	1.50 0.00 0.00		R 2 000 000.00	R 3 000 000.00	
Internal Supply dia (m)	0.10	0.24	0.22		50	R 575.00 R 0.00	R 28 750.00 R 0.00	
Hard rock adjustment (%)			50			R 300.00	R 7 500.00	
Water network (stands)	1320	1600	280			R 2 100.00	R 588 000.00	
Hard rock adjustment (%)			50			R 300.00	R 378 000.00	
Metered standpipes (no)	1320	1600	280			R 1 100.00	R 308 000.00	0
Water meters (no)	0	1320	1320			R 550.00	R 726 000.00	
SUB-TOTAL							R 8 795 250.00	



SANITATION								
Communal Outfall Sewer					N			
Communal Rising Main (and pumpstations)					N			
Communal Waste Water Treatment Works					N			
Description	Current	Need	Backlog		Length	Rate	Costs	<RDP Sids
Waterborne Sewer (2m deep main, 1,5m deep erf connection)								
Sewer network (stands)	0	1600	1600			R 2 475.00	R 3 960 000.00	
Hard rock adjustment (%)			70			R 600.00	R 3 024 000.00	
Erf connections (stands)	0	1600	1600			R 3 795.00	R 6 072 000.00	0
Hard rock adjustment (%)			50			R 450.00	R 3 420 000.00	
Toiletstructures	1320	1600	280			R 7 500.00	R 2 100 000.00	
Outfall sewer dia (m)	0.00	0.30	0.30		0	R 950.00	R 0.00	
						R 0.00	R 0.00	
Hard rock adjustment (%)			0			R 600.00	R 0.00	
Pumpstations								
* Number	0	1	1			R 1 000 000.00	R 1 000 000.00	
* Refurbishment (%)			0			R 1 000 000.00	R 0.00	
Rising main dia (m)	0	0.12	0.12		1000	R 300.00	R 300 000.00	
Hard rock adjustment (%)			50			R 300.00	R 150 000.00	
Waste water treatment works								
* Purification Plants								
* Capacity (Ml/d)	0	0.80	0.80	1.00		R 9 000 000.00	R 9 000 000.00	
				0.00				
				0.00				
* Refurbishment (%)			0			R 9 000 000.00	R 0.00	
* Oxidation Ponds								
* Capacity (Ml/d)	0	0.80	0.00	0.00		R 2 000 000.00	R 0.00	
				0.00				
				0.00				
* Refurbishment (%)			0			R 2 000 000.00	R 0.00	
SUB-TOTAL							R 29 026 000.00	
TOTAL (Incl VAT & Prof Fees)							R 37 821 250.00	



THABO MOFUTSANYANE DISTRICT MUNICIPALITY
NKETOANA LOCAL MUNICIPALITY
NTHA - LINDLEY
WATER & SANITATION BACKLOG ASSESSMENTS AS AT 31 MARCH 2010

STANDS							
Town	Existing	Approved (Greenfields)			Accepted (y/n)	Formalised	
Ntha	3666	0			N	3666	
Lindley						480	
WATER							
Communal Water Purification Plant					Y		
Communal Bulk Supply to Reticulation reservoirs					Y		
Communal Reticulation Reservoirs					Y		
Communal Supply to Reticulation Networks					N		
Description	Current	Need	Backlog	Capacity	Length	Rate	Costs
Water Purification							
* Capacity (Ml/d)	3.46	3.86	0.40	0.50		R 6 000 000.00	R 3 000 000.00
				0.00			
				0.00			
* Refurbishment (%)			5			R 6 000 000.00	R 1 038 000.00
Bulk Supply dia (m)	0.20	0.24	0.14		1800	R 300.00	R 540 000.00
Hard rock adjustment (%)			50			R 300.00	R 270 000.00
Water Reticulation (1m deep)							
Reservoir capacity (Ml)	4.85	6.43	1.58	2.00		R 2 000 000.00	R 4 000 000.00
				0.00			
				0.00			
Internal Supply dia (m)	0.20	0.36	0.30		2050	R 865.00	R 1 773 250.00
						R 0.00	R 0.00
Hard rock adjustment (%)			60			R 300.00	R 369 000.00
Water network (stands)	3666	3666	0			R 2 100.00	R 0.00
Hard rock adjustment (%)			0			R 300.00	R 0.00
Metered standpipes (no)	3666	3666	0			R 1 100.00	R 0.00
Water meters (no)	300	3666	3366			R 550.00	R 1 851 300.00
Rising main dia (m)	0.15	0.15	0.00		1500	R 0.00	R 0.00
SUB-TOTAL							R 12 841 550.00



SANITATION							
Communal Outfall Sewer						N	
Communal Rising Main (and pumpstations)						Y	
Communal Waste Water Treatment Works						Y	
Description	Current	Need	Backlog		Length	Rate	Costs
Waterborne Sewer (2m deep main, 1,5m deep erf connection)							
Sewer network (stands)	3666	3666	0			R 2 475.00	R 0.00
Hard rock adjustment (%)			0			R 600.00	R 0.00
Erf connections (stands)	3666	3666	0			R 3 795.00	R 0.00
Hard rock adjustment (%)			0			R 450.00	R 0.00
Toiletstructures	3666	3666	0			R 7 500.00	R 0.00
Outfall sewer dia (m)	0.00	0.40	0.40		0	R 1 300.00	R 0.00
						R 0.00	R 0.00
Hard rock adjustment (%)			0			R 600.00	R 0.00
Pumpstation Nr 1							
* Number	1	1	0			R 1 000 000.00	R 0.00
* Refurbishment (%)			10			R 1 000 000.00	R 100 000.00
Rising main dia (m)	0.15	0.20	0.13		3000	R 300.00	R 900 000.00
Hard rock adjustment (%)			50			R 300.00	R 450 000.00
Pumpstation Nr 2							
* Number	1	1	0			R 1 000 000.00	R 0.00
* Refurbishment (%)			10			R 1 000 000.00	R 100 000.00
Rising main dia (m)	0.20	0.20	0.02		2000	R 200.00	R 400 000.00
Hard rock adjustment (%)			50			R 300.00	R 300 000.00
Pumpstation Nr 3							
* Number	1	1	0			R 1 000 000.00	R 0.00
* Refurbishment (%)			10			R 1 000 000.00	R 100 000.00
Rising main dia (m)	0.20	0.20	0.02		2500	R 200.00	R 500 000.00
Hard rock adjustment (%)			50			R 300.00	R 375 000.00
Waste water treatment works							
* Purification Plants							
* Capacity (Ml/d)	3.00	2.19	0.00	0.00		R 9 000 000.00	R 0.00
				0.00			
				0.00			
* Refurbishment (%)			5			R 9 000 000.00	R 1 350 000.00
* Oxidation Ponds							
* Capacity (Ml/d)	0	2.19	0.00	0.00		R 2 000 000.00	R 0.00
				0.00			
				0.00			
* Refurbishment (%)			0			R 2 000 000.00	R 0.00
SUB-TOTAL							R 4 575 000.00
TOTAL (Incl VAT & Prof Fees)							R 17 416 550.00



THABO MOFUTSANYANE DISTRICT MUNICIPALITY
NKETOANA LOCAL MUNICIPALITY
MAMAFUBEDU - PETRUS STEYN
WATER & SANITATION BACKLOG ASSESSMENTS AS AT 31 MARCH 2010
STANDS

Town	Existing	Approved (Greenfields)	Accepted (y/n)	Formalised
Mamafubedu	2391	1600	N	2391
Petrus Steyn				506

WATER

Communal Water Purification Plant	Y	
Communal Bulk Supply to Reticulation reservoirs	Y	
Communal Reticulation Reservoirs	Y	
Communal Supply to Reticulation Networks	N	

Description	Current	Need	Backlog	Capacity	Length	Rate	Costs
Water Purification							
* Capacity (Ml/d)	999.00	2.79	0.00	0.00		R 6 000 000.00	R 0.00
				0.00			
				0.00			
* Refurbishment (%)			0			R 6 000 000.00	R 0.00
Bulk Supply dia (m)	0.15	0.21	0.14		35000	R 300.00	R 10 500 000.00
Hard rock adjustment (%)			50			R 300.00	R 5 250 000.00

Water Reticulation (1m deep)

Reservoir capacity (Ml)	0.90	4.66	3.76	0.00		R 2 000 000.00	R 8 000 000.00
				4.00			
				0.00			
Internal Supply dia (m)	0.15	0.29	0.25		1000	R 575.00	R 575 000.00
						R 0.00	R 0.00
Hard rock adjustment (%)			50			R 300.00	R 150 000.00
Water network (stands)	2391	2391	0			R 2 100.00	R 0.00
Hard rock adjustment (%)			0			R 300.00	R 0.00
Metered standpipes (no)	2391	2391	0			R 1 100.00	R 0.00
Water meters (no)	1195	2391	1196			R 550.00	R 657 800.00
SUB-TOTAL							R 25 132 800.00



SANITATION							
Communal Outfall Sewer						N	
Communal Rising Main (and pumpstations)						N	
Communal Waste Water Treatment Works						Y	
Description	Current	Need	Backlog	Capacity	Length	Rate	Costs
Waterborne Sewer (2m deep main, 1,5m deep erf connection)							
Sewer network (stands)	2391	2391	0			R 2 475.00	R 0.00
Hard rock adjustment (%)			0			R 600.00	R 0.00
Erf connections (stands)	2391	2391	0			R 3 795.00	R 0.00
Hard rock adjustment (%)			0			R 450.00	R 0.00
Toiletstructures	2391	2391	0			R 7 500.00	R 0.00
Outfall sewer dia (m)	0.00	0.30	0.30		0	R 950.00	R 0.00
						R 0.00	R 0.00
Hard rock adjustment (%)			0			R 600.00	R 0.00
Pumpstations							
* Number	1	1	0			R 1 000 000.00	R 0.00
* Refurbishment (%)			10			R 1 000 000.00	R 100 000.00
Rising main dia (m)	0.2	0.15	0.00		800	R 0.00	R 0.00
Hard rock adjustment (%)			0			R 300.00	R 0.00
Waste water treatment works							
* Purification Plants							
* Capacity (Ml/d)	2.42	1.58	0.00	0.00		R 9 000 000.00	R 0.00
				0.00			
				0.00			
* Refurbishment (%)			8			R 9 000 000.00	R 1 633 500.00
* Oxidation Ponds							
* Capacity (Ml/d)	0	1.58	0.00	0.00		R 2 000 000.00	R 0.00
				0.00			
				0.00			
* Refurbishment (%)			0			R 2 000 000.00	R 0.00
SUB-TOTAL							R 1 733 500.00
TOTAL (Incl VAT & Prof Fees)							R 26 866 300.00



THABO MOFUTSANYANE DISTRICT MUNICIPALITY

NKETOANA LOCAL MUNICIPALITY

PETSANA – REITZ

WATER & SANITATION BACKLOG ASSESSMENTS AS AT 31 MARCH 2010

STANDS

Town	Existing	Approved (Greenfields)	Accepted (y/n)	Formalised
Petsana	3795	1400	N	3795
Reitz				1300
Mamafubedu	2391	1600	N	2391
Petrus Steyn				506

WATER

Communal Water Purification Plant						Y		
Communal Bulk Supply to Reticulation reservoirs						Y		
Communal Reticulation Reservoirs						Y		
Communal Supply to Reticulation Networks						N		
Description	Current	Need	Backlog	Capacity	Length	Rate	Costs	<RDP Stds
Water Purification								
* Capacity (MI/d)	15.00	7.95	0.00	0.00		R 6 000 000.00	R 0.00	
				0.00				
				0.00				
* Refurbishment (%)			2.5			R 6 000 000.00	R 2 250 000.00	
Bulk Supply dia (m)	0.37	0.28	0.00		18000	R 0.00	R 0.00	
Hard rock adjustment (%)			0			R 300.00	R 0.00	
Water Reticulation (1m deep)								
Reservoir capacity (MI)	16.50	8.58	0.00	0.00		R 2 000 000.00	R 0.00	
				0.00				
				0.00				
Internal Supply dia (m)	0.25	0.37	0.27		3000	R 865.00	R 2 595 000.00	
						R 0.00	R 0.00	
Hard rock adjustment (%)			40			R 300.00	R 360 000.00	
Water network (stands)	3795	3795	0			R 2 100.00	R 0.00	
Hard rock adjustment (%)			0			R 300.00	R 0.00	
Metered standpipes (no)	3795	3795	0			R 1 100.00	R 0.00	0
Water meters (no)	3715	3795	80			R 550.00	R 44 000.00	
SUB-TOTAL							R 5 249 000.00	



SANITATION								
Communal Outfall Sewer						Y		
Communal Rising Main (and pumpstations)						Y		
Communal Waste Water Treatment Works						Y		
Description	Current	Need	Backlog	Capacity	Length	Rate	Costs	<RDP Stds
Waterborne Sewer (2m deep main, 1,5m deep erf connection)								
Sewer network (stands)	3675	3795	120			R 2 475.00	R 297 000.00	
Hard rock adjustment (%)			60			R 600.00	R 194 400.00	
Erf connections (stands)	3675	3795	120			R 3 795.00	R 455 400.00	120
Hard rock adjustment (%)			40			R 450.00	R 205 200.00	
Toiletstructures	3675	3795	120			R 7 500.00	R 900 000.00	
Outfall sewer dia (m)	0.20	0.45	0.40		500	R 1 300.00	R 650 000.00	
						R 0.00	R 0.00	
Hard rock adjustment (%)			70			R 600.00	R 210 000.00	
Pumpstations								
* Number	2	2	0			R 1 000 000.00	R 0.00	
* Refurbishment (%)			10			R 1 000 000.00	R 200 000.00	
Rising main dia (m)	0.20	0.23	0.11		9000	R 300.00	R 2 700 000.00	
Hard rock adjustment (%)			50			R 300.00	R 1 350 000.00	
Waste water treatment works								
* Purification Plants								
* Capacity (Ml/d)	10.00	2.87	0.00	0.00		R 9 000 000.00	R 0.00	
				0.00				
				0.00				
* Refurbishment (%)			2.5			R 9 000 000.00	R 2 250 000.00	
* Oxidation Ponds								
* Capacity (Ml/d)	0	2.87	0.00	0.00		R 2 000 000.00	R 0.00	
				0.00				
				0.00				
* Refurbishment (%)			0			R 2 000 000.00	R 0.00	
SUB-TOTAL							R 9 412 000.00	
TOTAL (Incl VAT & Prof Fees)							R 14 661 000.00	

General Comments - Inhibiting factors on Performance

Roads and Storm water: -Non availability of data and layout plans

Assets:

- Lack of estimation of decay of the Infrastructure.
- Impact on losses of water from old water pipes
- Impact on spillages caused by old sewerage pipes

Housing:

- Shortage of available land for Human Settlement
- Delayed approval of Township establishment

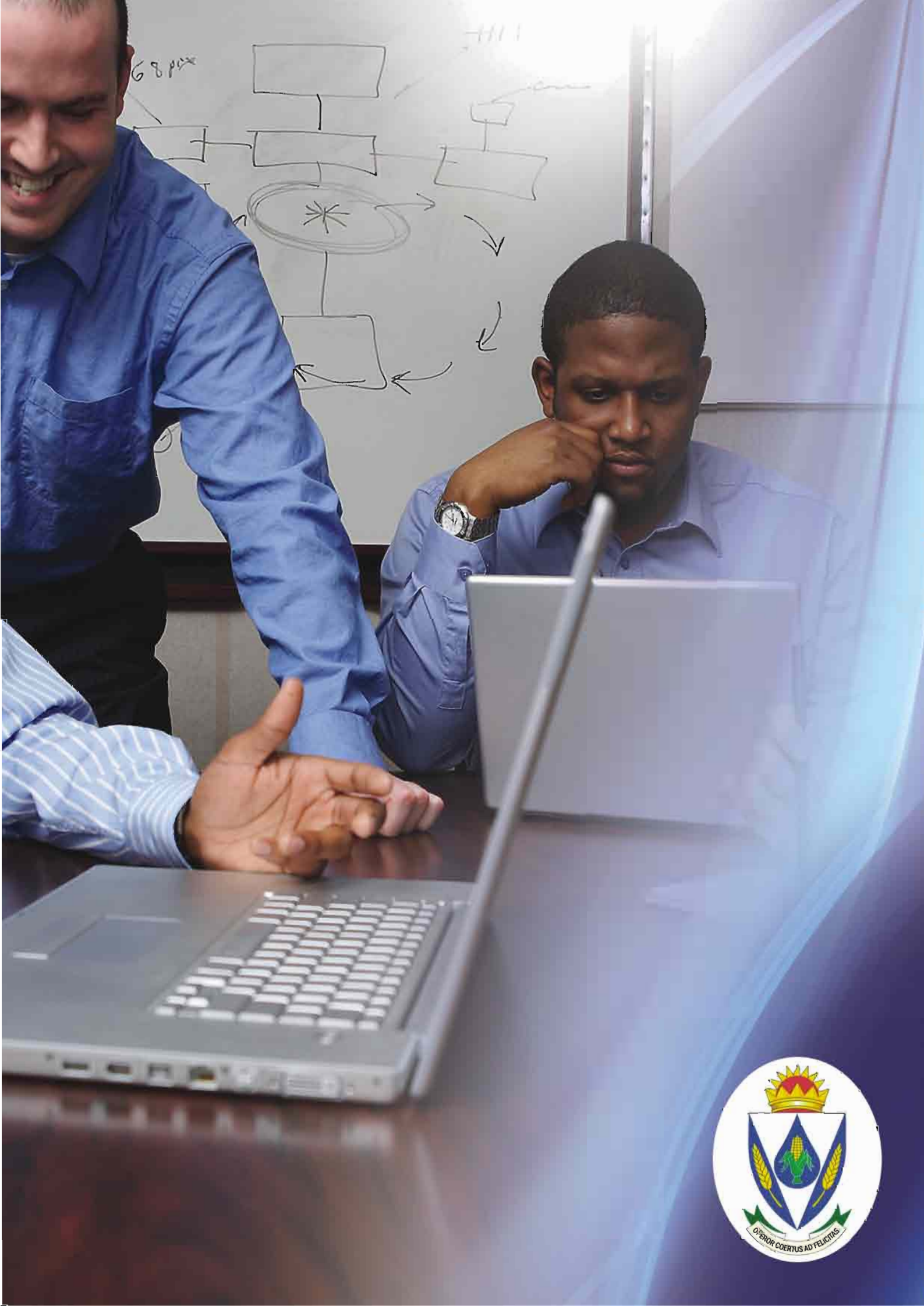


2.4 BUILDING AND ZONING PLANS 2009/2010

Applications outstanding 1 July 2009	Category	Number of new applications received 2008/2009	Total value of applications received in Rand value	Applications outstanding 30 June 2010
0	Residential new	0	3 347.01	3
0	Residential additions	0	3 687.61	2
0	Commercial	0	0	0
0	Industrial	0	0	0
0	Other (Specify)	0	0	0

The post of Building Inspector is vacant and the approval of building plans is a problem. Previously the assistance of Dhlabeng Municipality was obtained. This post is a key post that will be considered during coming budgetary cycles.





CHAPTER 3

3. HUMAN RESOURCE AND OTHER ORGANISATIONAL MANGEMENT

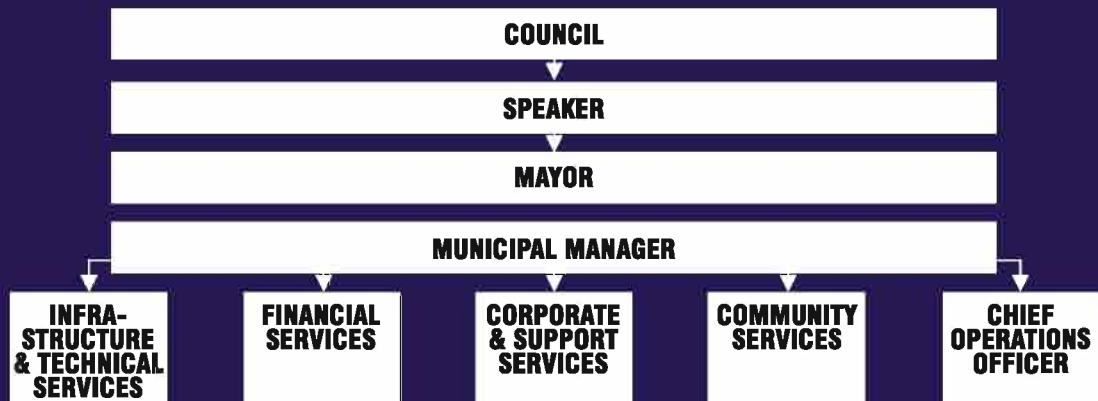
3.1 ORGANISATIONAL STRUCTURE



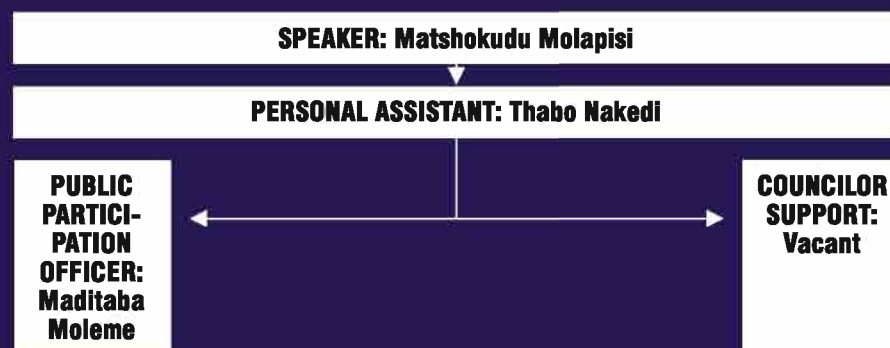
NKETOANA LOCAL MUNICIPALITY

PROPOSED ORGANOGRAM 2008

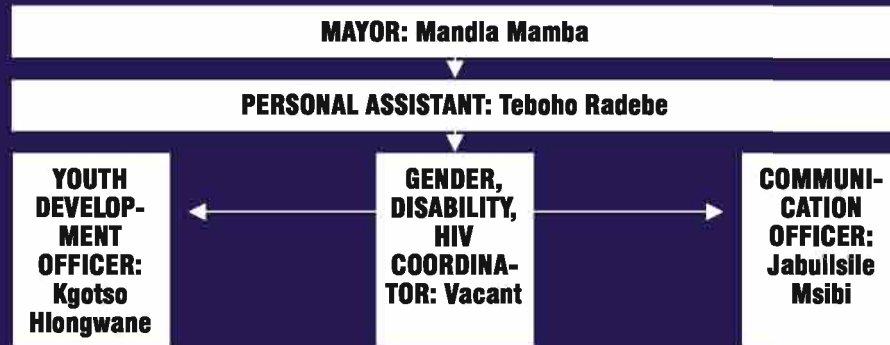
ORGANISATIONAL STRUCTURE OF NKETOANA LOCAL MUNICIPALITY



STRUCTURE OF THE OFFICE OF THE SPEAKER



STRUCTURE OF THE OFFICE OF THE MAYOR



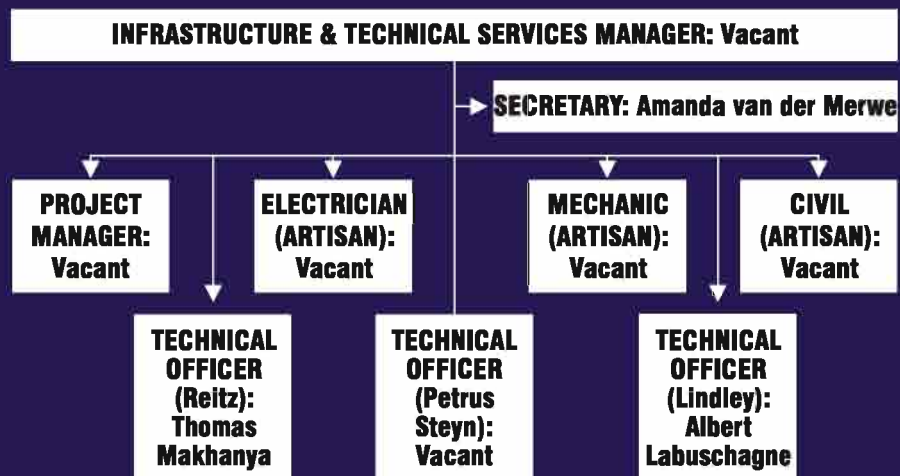
NKETOANA MUNICIPAL ORGANISATIONAL STRUCTURE



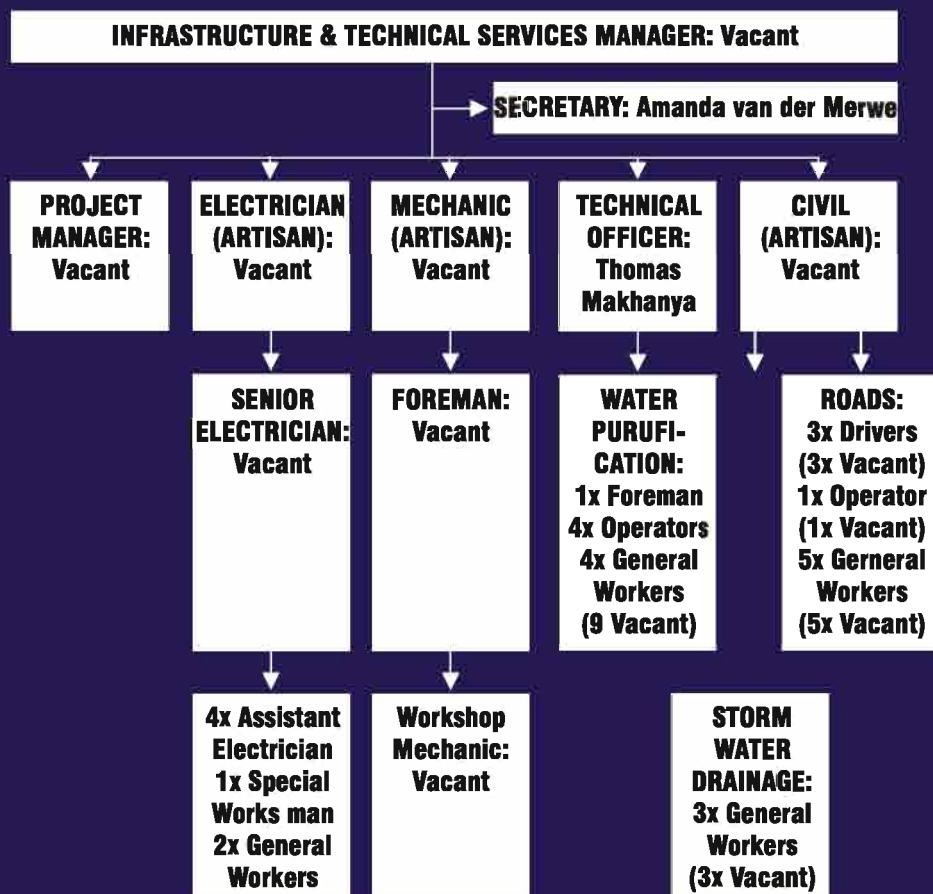
NKETOANA PROPOSED MUNICIPAL ORGANISATIONAL STRUCTURE



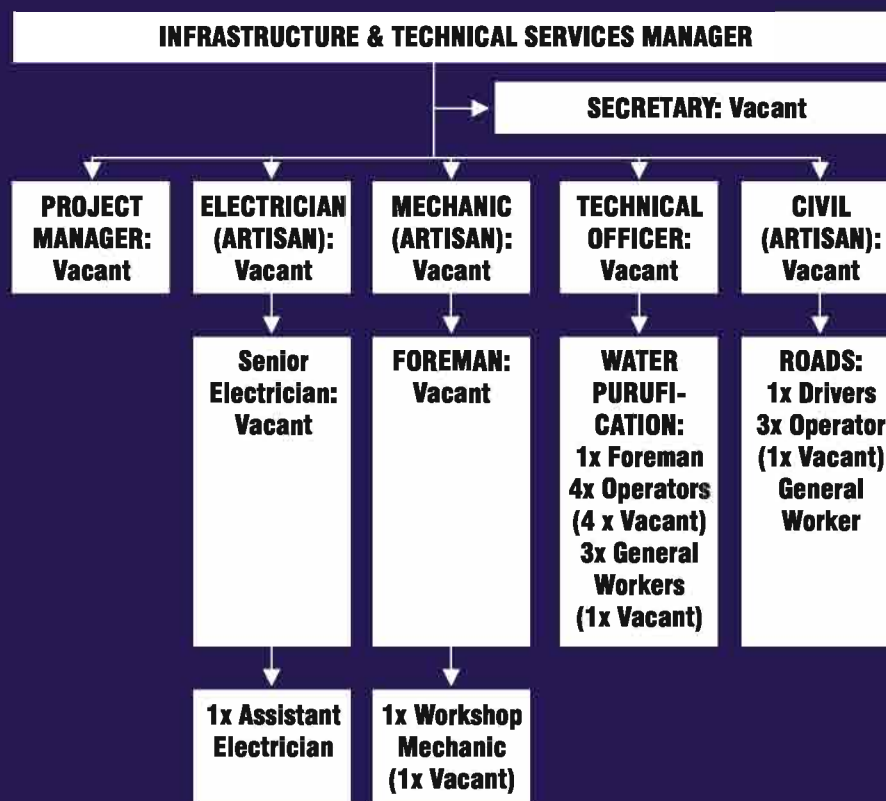
STRUCTURE OF THE INFRASTRUCTURE AND TECHNICAL SERVICES DEPARTMENT



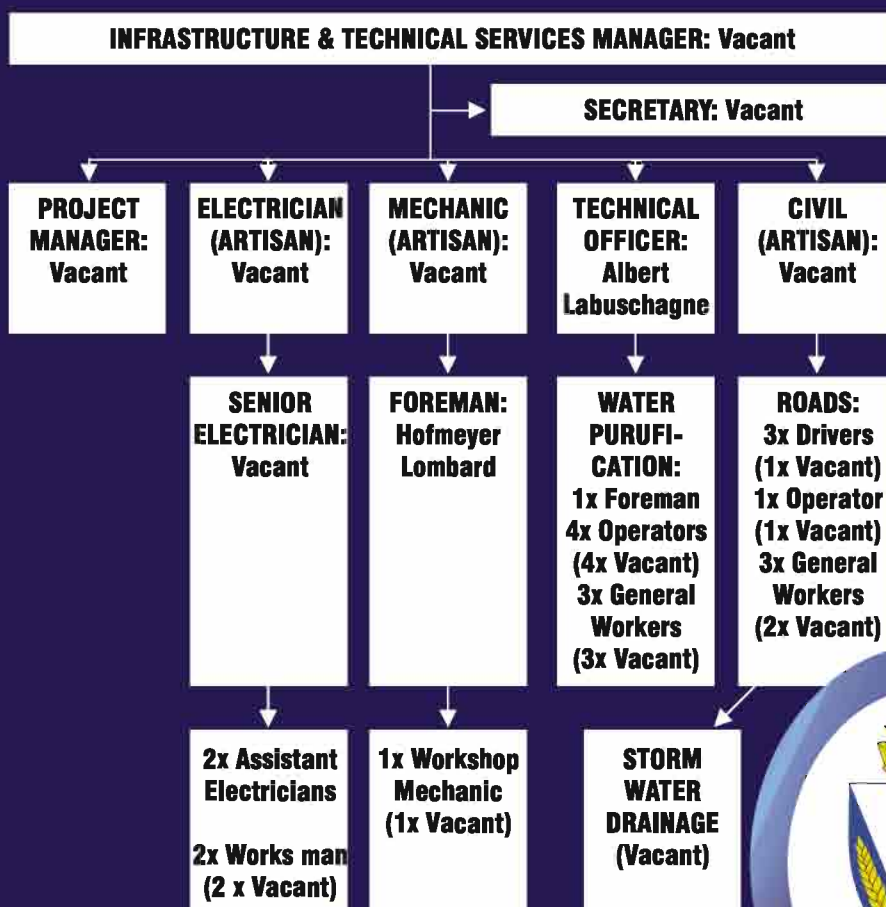
STRUCTURE OF THE INFRASTRUCTURE & TECHNICAL SERVICES DEPARTMENT (Reitz)



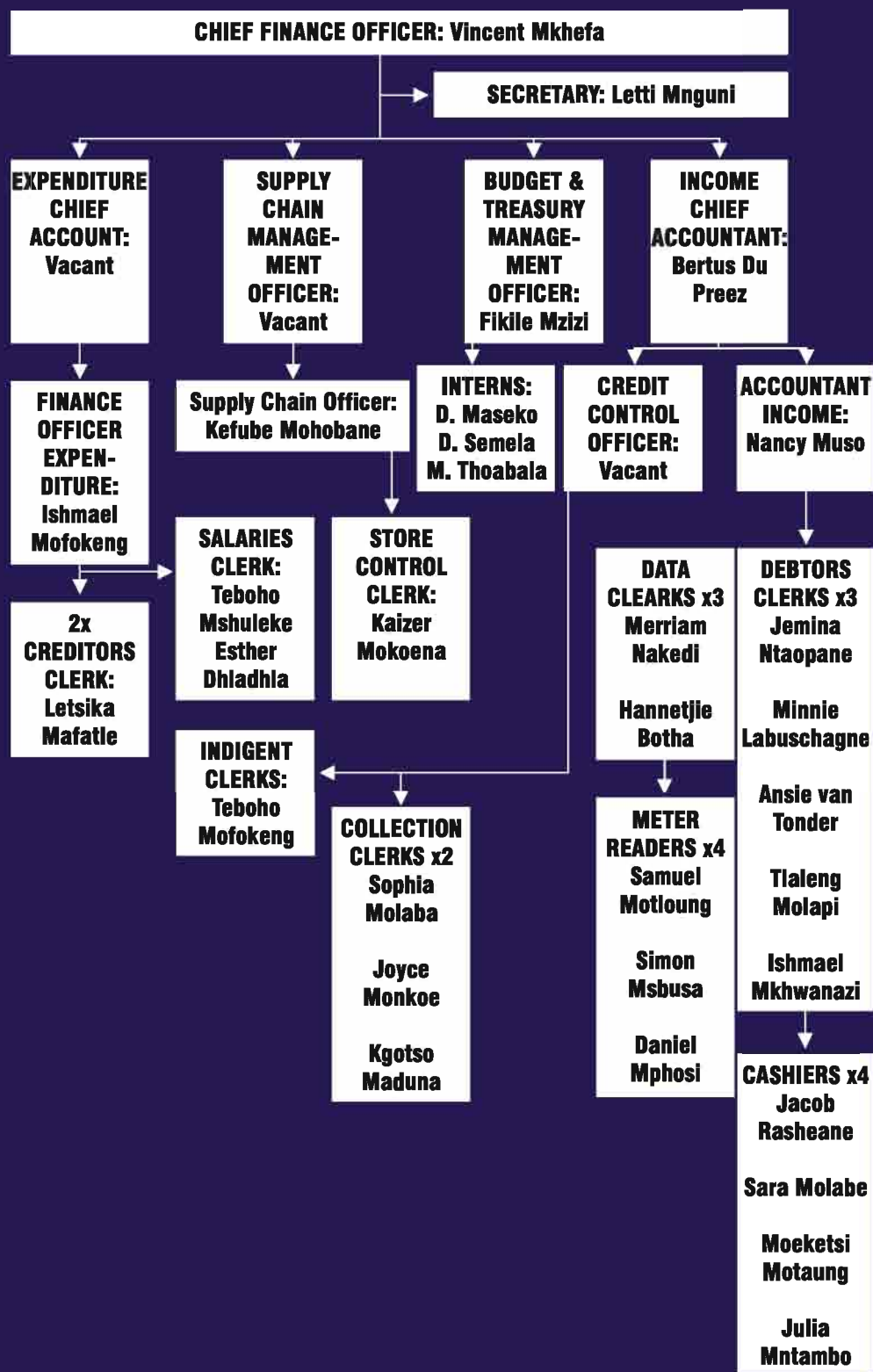
STRUCTURE OF THE INFRASTRUCTURE & TECHNICAL SERVICES DEPARTMENT (Petrus Steyn)



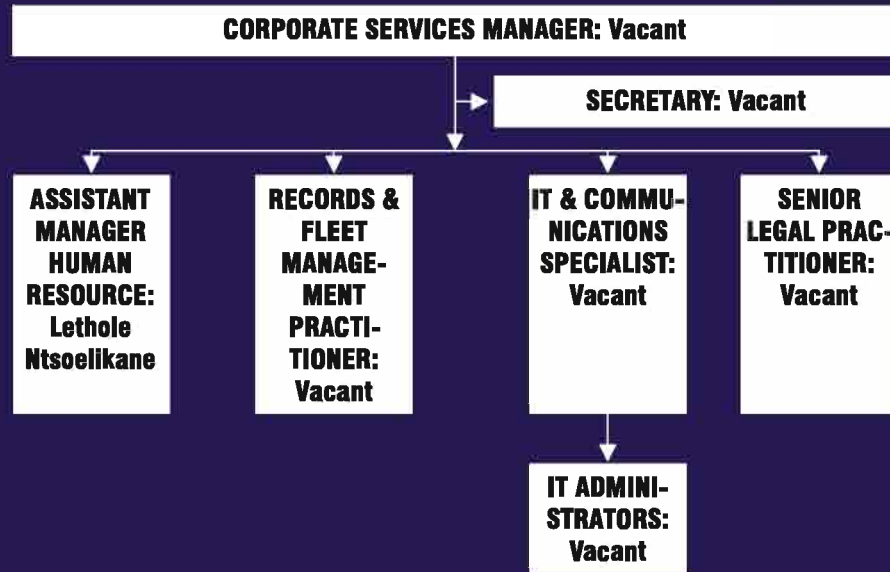
STRUCTURE OF THE INFRASTRUCTURE & TECHNICAL SERVICES DEPARTMENT (Lindley)



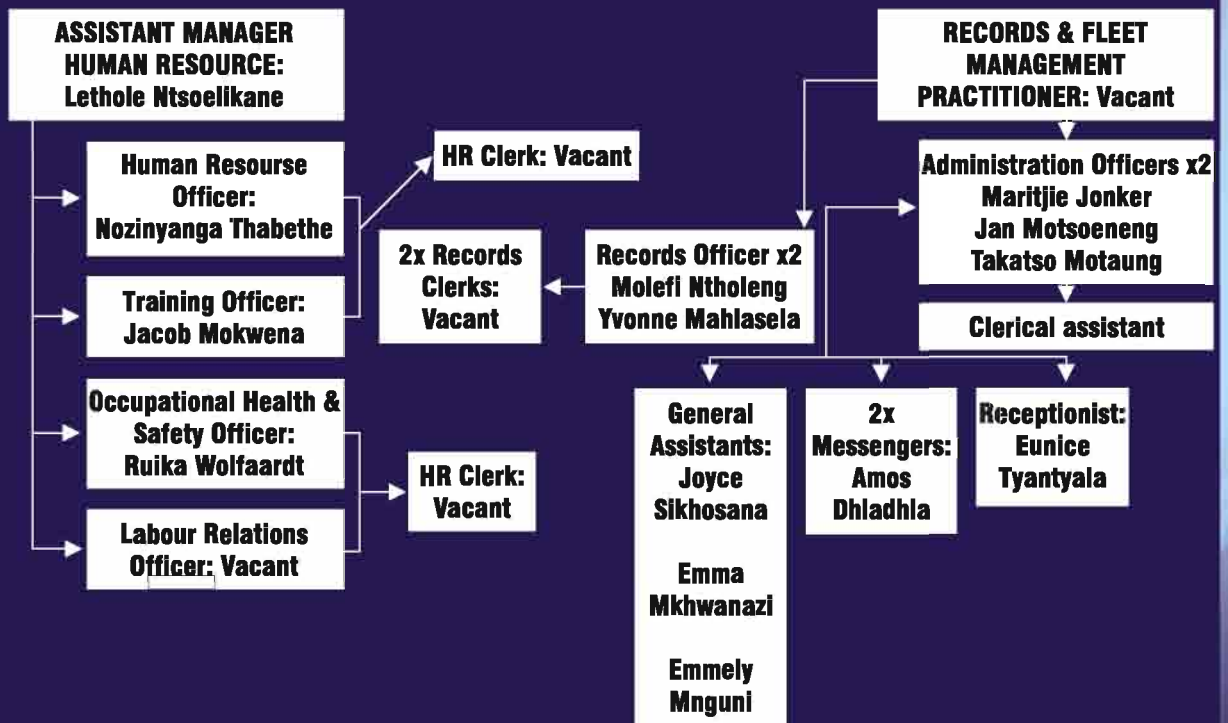
ORGANISATIONAL STRUCTURE FINANCE DEPARTMENT



STRUCTURE OF CORPORATE SERVICES



CORPORATE SERVICES CONTINUES



3.2 COMMENTS ON STAFFING PER DEPARTMENT

3.2.1 GENERAL COMMENTS

The structure needs to be reviewed to enable the municipality to comply fully to its mandate of providing services to the community and to fulfill its developmental role in South Africa.

3.2.2 OFFICE OF THE MUNICIPAL MANAGER

In the Office of the Municipal Manager the post of the LED and Tourism Officer is vacant. It is a post that needs to be filled urgently. The development of a functional LED section in the municipality is of the utmost importance to enable the municipality to deliver on Local Economic Development and alleviation of poverty.

3.2.3 DEPARTMENT OF FINANCE

The Department of Finance has filled several posts during the financial year 2009/2010. However there are still key posts that are vacant. The most critical of it is the Supply Chain Management Officer. The Supply Chain Unit is at this stage staffed by only one staff member. The work load is immense and the section sometimes fails to procure necessary items in time.

3.2.4 DEPARTMENT OF CORPORATE SERVICES

The post of the Head of this department, the Manager of Corporate Services is vacant. This is a Section 57 post. At this stage the Assistant Manager Human Resources is acting also as Head of the Department Corporate Services. The delay in appointment of a section 57 manager is due to the termination of service of the previous manager. There are still unsettled labour issues regarding this matter.

In the Human Resources section there is a vacant post for a Human Resource clerk. At this stage the work load for the existing staff member is immense and the filling of this post will ensure that the important section of Human Resource records and administration will function as intended to.

3.2.5 DEPARTMENT OF INFRASTRUCTURE AND TECHNICAL SERVICES

The post of the Head of this department, the Manager of Infrastructure and Technical Services is vacant. This is a Section 57 post. At this stage the CFO is acting also in this capacity. There is a delay in appointment of this post due to the lack of a suitable candidate.. The Municipal Manager obtained a person from DBSA to assist, but the person is not fully functioning as the head of the department. At this stage the CFO is acting as the Head of the department.

There are several key posts still vacant on the level of artisans. These people are in a category of very scarce skills. It is envisaged that the only way to fill these posts with competent people will be to go the route of headhunting to fill the posts ultimately.

In this department there are also several vacancies regarding general worker posts. The reason for delay of appointments in these posts is a pending labour issue. The municipality used for several years contract workers in these posts that were rotating on a basis of two weeks. They were seen as temporary workers and were never permanently appointed.



This practice resulted in a labour dispute. The outcome of the action was an agreement between Labour and Management that the workers involved will be appointed permanently and the surplus workers will be paid an amount as determined by the Labour Court. This process is in progress and will only be completed in the coming financial year.

3.2.5 DEPARTMENT OF COMMUNITY SERVICES

In this department the posts are well filled. The only section where a risk can occur is in the Housing section. A senior staff member left the service of the municipality and others, due to seriousness of their health problems, are not fit to hold office. However, the clerks left in the section are coping well and the work still flows.



3.3 DISCLOSURES CONCERNING REMUNERATION OF COUNCILLORS AND SENIOR OFFICIALS FOR THE PERIOD 1 JULY 2009 – 30 JUNE 2010

DESCRIPTION	MAYOR	SPEAKER	4 EXCO MEMBERS	MUNICIPAL MANAGER	CHIEF FINANCIAL OFFICER	MANAGER COMMUNITY SERVICES	MANAGER CORPORATE SERVICES	MANAGER INFRA STRUCTURE AND RECHNICAL SERVICES	CHIEF OPERATIONAL OFFICER
Salaries									
Normal	416 256.00	333 003.96	171 705.00	759 470.74	449 128.59	589 408.59	VACANT	VACANT	547 600.59
Overtime	N/A	N/A	N/A	N/A	N/A	N/A			N/A
Contributions									
Pension	106 061.52	84 849.12	46 135.92	N/A	N/A	N/A	N/A	N/A	N/A
Medical Aid	N/A	12 600.00	N/A	N/A	38 448.00	18 168.00	N/A	N/A	28 776.00
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Allowances									
Travel & motor car	138 752.04	111 001.20	41 625.00	N/A	84 000.00	N/A	N/A	N/A	72 000.00
Accommodation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subsistence	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Housing	N/A	N/A	N/A	N/A	18 000.00	N/A	N/A	N/A	24 000.00
Telephone	17 100.00	17 100.00	10 668.00	N/A	18 000.00	N/A	N/A	N/A	7 200.00
Loans and Advances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arrears Owed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	466 046.52	440 021.04	177 861.08	759 470.74	607 576.59	607 576.59	VACANT	VACANT	607 576.59





CHAPTER 4

4. AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

4.1 ANNUAL FINANCIAL STATEMENTS 2008/2009

Annual Financial Statements

for

Nketoana Local Municipality

for the year ended:

30 June 2010

Province:

Free State

AFS rounding:

R (i.e. only cents)

Contact Information:

Name of Municipal Manager:	SJ Thomas
Name of Chief Financial Officer:	V Mkhafa
Contact telephone number:	058 863 2811
Contact e-mail address:	vmkhafa@nketoanafs.co.za
Name of contact at provincial treasury:	Immanuel Ravhuhali
Contact telephone number:	051 405 4906
Contact e-mail address:	iravhuhali@treasury.fs.gov.za
Name of relevant Auditor:	Auditor General
Contact telephone number:	514,007,620
Contact e-mail address:	
Name of contact at National Treasury:	Lizette Labuschagne
Contact telephone number:	lizette.labuschagne@treasury.gov.za
Contact e-mail address:	012 315 5781

Nketoana Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2010

General information

Members of the Council

Mandla Mamba

MD Molapisi

P Nkomo

M Blignaut

MS Mokoena

BA Peter

LP Masoka

NM Molawa

LA Moloï

JJ Venter

SG Henning

JR Msimanga

TJ Zwane

A Fume

MS Malindi

KT Monyatsi

KB Mnguni

P M Moloedi (newly appointed)

Mayor

Speaker

Member of the Executive Committee

Member of the Executive Committee

Member of the Executive Committee

Member of the Executive Committee

Member

Member

Member

Member

Member

Member

Member

Member

Member

Member

Member

Member

Municipal Manager:

Sipho Joseph Thomas

Chief Financial Officer:

Vincent Bongani Mkhefa

Grading of Local Authority:

3

Auditors:

Auditor-General

Bankers:

ABSA

Registered Office:

Corner Church and Voortrekker Reitz

Physical address:

Corner Church and Voortrekker Reitz,
Reitz

Postal address:

P.O Box 26
Reitz, 9310

Telephone number:

058 863 2811

Fax number:

058 863 2523

E-mail address:

vmkhefa@nketoanafs.co.za



Nketoana Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2010

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 42, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager:

DATE:



Nketoana Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2010

Index	Page
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Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Accounting Policies	9-19
Notes to the Annual Financial Statements	20-32
Appendix A: Schedule of External Loans	33
Appendix B: Analysis of Property, Plant and Equipment	34-37
Appendix C: Segmental Analysis of Property, Plant and Equipment	38
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Appendix F: Disclosure of Grants and Subsidies in terms of Section 123 of MFMA, 56 of 2003	41
Appendix G: Schedule of Capital Commitments	42



Nketoana Local Municipality
STATEMENT OF FINANCIAL POSITION

as at 30 June 2010

	Note	2010 R	2009 R
ASSETS			
Current assets			
Cash and cash equivalents	1	9,956,008	40,202,547
Trade and other receivables from exchange transactions	2	52,597,939	20,833,076
Inventories	3	483,267	2,106,868
Non-current assets			
Investments	5	8,376,269	10,627,510
Property, plant and equipment	6	1,070,238,522	1,039,224,070
Investment property		3,550,000	3,550,000
Intangible assets		25,962	15,962
Total assets		1,145,227,966	1,116,560,032
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	7	8,442,323	4,185,357
Consumer deposits	8	1,186,822	1,121,407
VAT payable	9	10,595,905	9,041,926
Current portion of unspent conditional grants and receipts	11	2,254,484	9,062,193
Current portion of borrowings	12	202,109	312,300
Other current financial liabilities	7	1,464,317	18,129,895
Non-current liabilities			
Non-current borrowings	12	9,951,618	10,134,824
Total liabilities		34,097,577	51,987,902
Net assets		1,111,130,389	1,064,572,131
NET ASSETS			
Total reserves		70,690,965	40,745,788
Accumulated surplus / (deficit)		1,040,439,423	1,023,826,343
Total net assets		1,111,130,388	1,064,572,131



Nketoana Local Municipality
STATEMENT OF FINANCIAL PERFORMANCE
for the year ending 30 June 2010

	Note	2010 R	2009 R
Revenue			
Revenue from Non-exchange Transaction			
Taxation			
Property rates	13	15,761,300	8,164,630
Other non-exchange revenue			
Service charges	14	58,794,423	60,817,076
Rental of facilities and equipment	15	578,080	1,353,107
Interest earned - external investments	16	1,565,653	4,156,533
Interest earned - outstanding receivables	17	11,503,342	12,346,897
Fines		153,231	110,632
Licences and permits		0	10,228
Other income	19	2,070,806	8,778,016
Transfer revenue			
Government grants and subsidies	18	81,610,348	54,739,359
Total revenue		172,037,183	150,476,478
Expenditure			
Employee related costs	20	38,353,538	28,195,262
Remuneration of councillors	21	4,151,717	3,704,896
Contribution to Bad debts provision		2,503,998	24,378,174
Collection costs			-
Repairs and maintenance		6,062,061	5,137,026
Finance costs	22	1,049,261	1,079,420
Bulk purchases	23	13,158,274	11,340,382
Depreciation	6	-	-
General expenses	24	60,200,077	46,677,017
Total Expenditure		125,478,926	120,512,178
Inventories: (Write-down) / reversal of write-down to net realisable value		-	2,104,932
Surplus / (deficit) for the period		46,558,257	32,069,231



Nketoana Local Municipality
STATEMENT OF CHANGES IN NET ASSETS
as at 30 June 2010

	Revaluation Reserve	Government Grants Reserves	Capital Development Reserves	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
Note	R	R'000	R	R	R	R
Balance at 30 June 2008	-	-	13,823,386	13,823,386	318,229,698	332,053,084
Surplus / (deficit) on revaluation of property of property, plant and equipment						-
Correction of prior period error					5,982,374	5,982,374
Other items						-
Net gains and losses not recognised in the statement of financial performance						-
Transfers to / from accumulated surplus/(deficit) (Government Grants Reserve)		26,922,402		26,922,402	(26,922,402)	-
Surplus / (deficit) for the period					32,069,231	32,069,231
Balance at 30 June 2009	-	26,922,402	13,823,386	40,745,788	329,358,901	370,104,669
Surplus / (deficit) on revaluation of property of property, plant and equipment						-
Correction of prior period error						-
Other items						-
Implementation of GRAP 17	27				2,269,044	2,269,044
Restated surplus / (deficit)	28.1				692,198,398	692,198,398
Transfers to / from accumulated surplus/(deficit) (Government Grants Reserve)		26,922,402	13,823,386	40,745,788	1,023,826,343	1,064,572,131
Surplus / (deficit) for the period		29,945,177	13,823,386	40,745,788	(23,945,177)	-
Balance at 30 June 2010	-	56,867,579	13,823,386	70,690,965	1,040,439,423	1,111,130,388

Nketoana Local Municipality
CASH FLOW STATEMENT
as at 30 June 2010

	Note	2010 R	2009 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		122,400,515	138,129,581
Sales of goods and services		42,790,860	68,981,706
Grants - currency year receipts	18	75,241,885	54,739,359
Interest received		1,565,653	4,156,533
Other receipts		2,802,117	10,251,983
Payments		119,701,734	86,647,829
Employee costs		42,505,255	31,900,158
Suppliers		76,147,217	53,668,251
Interest paid	22	1,049,261	1,079,420
Other payments		-	-
Net cash flows from operating activities	25	2,698,781	51,481,752
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(35,653,794)	(33,954,639)
Proceeds from sale of fixed assets		685,214	-
Proceeds from sale of investments Non current		2,251,242	(631,546)
Net cash flows from investing activities		(32,717,338)	(34,586,185)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(293,398)	(453,991)
Increase in consumer deposits		65,415	65,908
Net cash flows from financing activities		(227,983)	(388,082)
Net increase / (decrease) in net cash and cash equivalents		(30,246,540)	16,507,484
Net cash and cash equivalents at beginning of period		40,202,546	23,695,062
Net cash and cash equivalents at end of period	26	9,956,006	40,202,546



Nketoana Local Municipality
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ending 30 June 2010

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The statements have also been prepared in accordance with the various standards emanating from Directive 5 "Determining The Grap Reporting Framework", issued by the Accounting Standards Board

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interest in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economics
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment (PPE)
GRAP 19	Provisions, Contingent Liabilities and Contingent assets
GRAP 100	Non-Current Assets Held for Sale and Discontinues operations
GRAP 101	Agricultural
GRAP 102	Intangible assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed with paragraphs 7, 11 and 12 of GRAP 3.

A summary of the significant accounting policies, which have been consistently applied except where and exemption or transitional provision has been granted, are disclosed below.

In terms of Directive 4: "Transitional Provisions for the Adoption of Standards of GRAP by Medium and Low Capacity Municipalities" issued by the Accounting Standards Board the municipality has adopted the transitional provisions for the following Grap Standards and the municipality will be fully compliant with the contents and requirements of Grap 17 issued for Fixed Assets by the end of June 2011.

GRAP 12	Inventories
GRAP 13	Leases
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment (PPE)
GRAP 19	Provisions, Contingent Liabilities and Contingent assets
GRAP 100	Non-Current Assets Held for Sale and Discontinues operations
GRAP 102	Intangible assets

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure E to these financial statements

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is



disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

Combined Grap 104 on Financial

GRAP 18 Segment Reporting - issued March 2005

GRAP 21 Impairment of non-cash-generating assets

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 26 Impairment of cash-generating assets

GRAP 103 Heritage Assets - issued July 2008

GRAP 25 Employee Benefit

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (LAND AND BUILDINGS)

Subsequent to initial recognition, land and buildings are carried at a revalue amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset

2.3 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.4 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

In determining the backlog depreciation, the Municipality applied Treasury Directive 4 that determines the transitional provisions for the adoption of standards of GRAP by medium municipalities.



Infrastructure		Other	
Roads and Paving	20yrs	Buildings	30yrs
Pedestrian Malls	20yrs	Specialist vehicles	5-7yrs
Electricity	20-30yrs	Other vehicles	5-7yrs
Water	15-20yrs	Office equipment	3-5yrs
Sewerage	15-20yrs	Furniture and fittings	7-10yrs
		Watercraft	15yrs
Community		Bins and containers	5yrs
Buildings	30yrs	Specialised plant and equipment	5-15yrs
Recreational Facilities	30yrs	Other items of plant and equipment	5-15yrs
Security	30yrs	Landfill sites	30yrs
Halls	30yrs	Quarries	30yrs
Libraries	30yrs	Emergency equipment	5-15yrs
Parks and gardens	30yrs	Computer equipment	5yrs
Other assets	20-30yrs		
Heritage assets			
Buildings	0		
Paintings and artifacts	0		
Finance lease assets			
Office equipment	3-5yrs		
Other assets	3-7yrs		

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

2.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software

5

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.



The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 INVESTMENT PROPERTY

4.1 INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

4.2 SUBSEQUENT MEASUREMENT - COST MODEL

Investment property is measured using the cost model. Under the cost model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

4.2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

5 BIOLOGICAL ASSETS

5.1 INITIAL RECOGNITION

A biological asset or agricultural produce is recognised when, and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the municipality;
- and the fair value or cost of the asset can be measured reliably.

5.2 SUBSEQUENT MEASUREMENT

Biological assets are measured at their fair value less estimated point-of-sale costs.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

The fair value of milk is determined based on market prices in the local area.

The fair value of the vine / pine plantations is based on the combined fair value of the land and the vines / pine trees. The fair value of the raw land and land improvements is then deducted from the combined fair value to determine the fair value of the vines / pine trees.

A gain or loss arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs is included in profit or loss for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate is used to determine fair value.

An unconditional government grant related to a biological asset measured at its fair value less estimated point-of-sale costs is recognised as income when the government grant becomes receivable.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

6 NON-CURRENT ASSETS HELD FOR SALE

6.1 INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.



6.2 SUBSEQUENT MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

7 INVENTORIES

7.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

7.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

8 FINANCIAL INSTRUMENTS

8.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

8.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

8.2.1 INVESTMENTS

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

8.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

8.2.3 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.



8.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

9 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The municipality exercises judgement in the context of all available information to determine if it has significant influence over an investee.

The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it acquired it. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year.

The municipality commences accounting for an investment in an associate from the date that significant influence exists and discontinues the application of the equity method when it no longer has significant influence over an associate. Investments that are retained in whole or in part are subsequently accounted for in accordance with the accounting policies on subsidiaries, joint ventures or financial instruments depending on the nature of the retained investment.

The municipality uses the most recent available financial statements of the associate in applying the equity method. Where the reporting periods of the associate and the municipality are different, separate financial statements for the same period are prepared by the associate unless it is impracticable to do so. When the reporting dates are different, the municipality makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the municipality.

10 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

11 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

12 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

13 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:



- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- (b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

14 LEASES

14.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

14.2 MUNICIPALITY AS LESSOR

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

15 REVENUE

15.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.



15.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

15.3 GRANTS, TRANSFERS, PUBLIC CONTRIBUTION AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

16 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

17 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

18 CONSTRUCTION CONTRACTS AND RECEIVABLES

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs OR surveys of work done OR completion of a physical proportion of the contract work].

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

19 IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.



If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalue asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalue asset is treated as a revaluation increase.

20 CAPITAL DEVELOPMENT RESERVE (CDR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from accumulated surplus/(deficit) to CRR. The cash in the CDR can only be utilised to finance items of property, plant and equipment. The CDR is reduced and the accumulated surplus/(deficit) credited by a corresponding amount when the amounts in the CDR are utilized.

The CRR may only be utilized for the purpose of purchasing/ construction of items of property, plant and equipment and may not be used for the maintenance of these items.

21 UNSPENT CONDITIONAL GRANTS

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public

22 GOVERNMENT GRANTS RESERVE (GGR)

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such item of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that plant and equipment are offset by transfer from this reserve to the accumulated surplus/(deficit). When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grants Reserve relating to such item is transferred to the accumulated surplus/(deficit).



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

	Note	2010 R	2009 R
1 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of the following:			
Cash on hand		-	2,120
Cash at bank		3,915,386	18,475,377
Call deposits and investments		6,040,622	21,725,049
		<u>9,956,008</u>	<u>40,202,546</u>
1.1 The Municipality has the following bank accounts: -			
<u>Current Account (Primary Bank Account)</u>			
ABSA Bank - REITZ Branch: Account Number 2170560119 with a balance at 30 June 2010 is R77 864			
<u>Current Account (Secondary Bank Account)</u>			
FIRST NATIONAL BANK - REITZ branch : Account Number 62064082799 with a balance at 30 June 2010 is R3 647 830			
Cash book balance at beginning of year		18,475,377	(4,487,706)
Cash book balance at end of year		<u>3,915,386</u>	<u>18,475,377</u>
<u>Cash on hand</u>		<u>-</u>	<u>2,120</u>
Total cash and cash equivalents		<u>9,956,008</u>	<u>40,202,546</u>
Total bank balances		<u>3,915,386</u>	<u>18,475,377</u>
2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS		2010 R	2009 R
2.1 Trade receivables as at 30 June 2010			
Service debtors			
Rates		12,910,235	11,347,079
Electricity		4,545,024	4,295,600
Water		33,462,009	17,482,691
Sewerage		30,687,646	26,535,685
Refuse		32,710,520	29,394,688
Reconnection		37,673,440	39,271,039
Sub total		151,988,876	128,326,782
Debtors with negative balances		1,464,317	
TOTAL TRADE RECEIVABLE		153,453,193	128,326,782
Add: Other receivables			
Housing		827,533	725,008
VAT		-	-
Loans		9,229	13,624
Other debtors		180,154	439,589
Other debtors - Auction sales and Overpayment and Eskom deposits		951,701	
		155,421,809	129,505,004
Less VAT		28,543	(8,273,712)
Less provision for doubtful debts		(102,852,412)	(100,398,216)
Net balances		52,597,939	20,833,076
2.2 Reconciliation of the doubtful debt provision			
Balance at beginning of the year		100,398,216	76,946,292
Contributions to provision		2,503,998	24,378,174
Doubtful debts written off against provision		(49,802)	(926,250)
Reversal of provision		-	-
Balance at end of year		102,852,412	100,398,216



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

Trade Receivable age analysis per category

Category	Current	30days	60days	90days	> 90 days	Provision	Total
Individual	4,733,334.52	4,024,170.34	3,195,784.41	3,432,232.63	127,092,216.07	102,415,087.92	142,477,737.97
Partnership	-	866.28	-	-	-	-	866.28
Company	112,589.35	15,209.72	10,224.17	20,427.99	47,004.25	-	205,455.48
Trust	5,813.24	8,168.44	3,124.22	3,842.44	23,642.28	-	44,590.62
Closed corporation	1,160.44	1,141.93	1,267.82	2,079.63	102,951.16	-	108,600.98
Institution	107,659.60	210,989.75	72,171.04	108,560.59	2,915,393.39	-	3,414,774.37
Government	266,568.40	185,957.11	179,617.19	164,822.82	3,142,973.67	-	3,939,939.19
Churches	54,788.56	35,875.46	43,031.65	31,678.99	1,594,610.98	437,324.22	1,759,985.64
Company with no prof	628.94	-	-	-	-	-	628.94
Farmer	172.72	172.92	172.92	172.92	172.92	-	864.40
Totals	5,282,715.77	4,482,551.95	3,505,393.42	3,763,818.01	134,918,964.72	102,852,412.14	151,953,443.87

Note

2010
R

2009
R

3 INVENTORIES

Consumable stores - at cost

483,267

2,106,868

483,267

2,106,868

3.1 Inventory expensed to the income statement amount to:

6,683,121.69

3.2 Municipality has water inventory stock and which the municipality did not value at 30 June 2010

4 SHORT TERM INVESTMENTS

Call deposits and investments

6,040,622

21,725,049

6,040,622

21,725,049

5 LONG TERM INVESTMENTS

Financial Instruments

Listed Investments

5,000

5,000

Other Investments and fixed deposits

8,371,269

10,622,510

8,376,269

10,627,510



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Investment Property	Other Assets	Intangible Assets	Total
	R	R	R	R	R	R	R	R
as at 1 July 2009	190,479,469	92,775,000	739,502,842	90,000	3,550,000	16,376,759	15,962	1,042,790,032
Cost/Revaluation	190,479,469	92,775,000	739,502,842	90,000	3,550,000	16,376,759	15,962	1,042,790,032
Correction of error	-	-	-	-	-	-	-	-
Change in accounting policy/Grp 17	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Acquisitions	-	-	33,474,777	-	-	6,908,033	10,000	40,392,810
Capital under Construction	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	(5,419,272)	-	(5,419,272)
Cost/Revaluation	-	-	-	-	-	(5,419,272)	-	(5,419,272)
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Change in accounting policy/Grp 17	-	-	-	-	-	(3,949,085)	-	(3,949,085)
Disposal*	-	-	-	-	-	-	-	-
as at 30 June 2010	190,479,469	92,775,000	772,977,619	90,000	3,550,000	13,916,435	25,962	1,073,814,483
Cost/Revaluation	190,479,469	92,775,000	772,977,619	90,000	3,550,000	13,916,435	25,962	1,073,814,483
Accumulated depreciation and disposal	-	-	-	-	-	-	-	-

Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Intangible Assets	Total
	R	R	R	R	R	R	R	R
as at 1 July 2008	2,473,392	-	255,846,000	13,361,219	-	44,864,282	-	316,544,893
Cost/Revaluation	2,473,392	-	255,846,000	13,361,219	-	44,864,282	-	316,544,893
Correction of error	-	-	-	-	-	-	-	-
Change in accounting policy	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Acquisitions	882,034	-	30,515,108	61,648	-	3,377,884	-	34,836,673
Capital under Construction	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
*Implementation of Grp 17	187,124,043	92,775,000	453,141,734	(13,332,867)	3,550,000	(31,865,406)	15,962	691,408,466
as at 30 June 2009	190,479,469	92,775,000	739,502,842	90,000	3,550,000	16,376,759	15,962	1,042,790,032
Cost/Revaluation	190,479,489	92,775,000	739,502,842	90,000	3,550,000	16,376,759	15,962	1,042,790,032
Accumulated depreciation/Grp 17 Implementation	-	-	-	-	-	-	-	-

Insurance amounting to R202 296.09 was calimed and received in respect of an automatic recloser transformer and a Ford Bantam (Identification number AFAWXXMJKW7L05592, registration number KGB392s, engine number 22L012649)



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

7 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade creditors	(5,166,269)	(1,393,553)
Other creditors - negative balance in suspense account	-	(18,129,895)
Other creditors - debtors with negative balances	(1,464,317)	
Leave and bonus provision (see note 10)	(3,276,054)	(2,791,804)
Total creditors	(9,906,640)	(19,523,448)

The fair value of trade and other payables approximates their carrying amounts.

8 CONSUMER DEPOSITS

Electricity and Water	(1,186,822)	(1,121,407)
Total consumer deposits	(1,186,822)	(1,121,407)

No interests accrued or paid on consumer deposits

9 VAT PAYABLE

VAT payable	(10,595,905)	(9,041,926)
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VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

10 PROVISIONS

Provision for bonus	(857,846)	(617,968)
Provision of leave	(2,418,208)	(2,173,836)
Total Provisions	(3,276,054)	(2,791,804)

11 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

11.1 Unspent Conditional Grants from other spheres of Government

MIG Grants	(473,465)	(8,805,001)
DWAF drought relief	-	(381,284)
Thabo Mofutsanyana District municipality - Lindley storm water	-	(57,962)
MISG	(845,852)	(680,474)
MFMG	(435,166)	(837,471)
Other	-	
DWAF drought relief	(500,000)	(500,000)

11.2 Other Unspent Conditional Grants and Receipts (included under sundry creditors)

Other		
Total Unspent Conditional Grants and Receipts	(2,254,484)	(9,062,193)
Non-current unspent conditional grants and receipts	-	-
Current portion of unspent conditional grants and receipts	(2,254,484)	(9,062,193)

12 BORROWINGS

Development Bank of South Africa	(10,153,726)	(10,447,124)
	(10,153,726)	(10,447,124)
Less : Current portion transferred to current liabilities	202,109	312,300
Development Bank of South Africa	202,109	312,300
Total non current borrowings	(9,951,618)	(10,134,824)

Refer to Appendix A for more detail on borrowings.

Account number 048688703-003 with an amount of R3 158 891.73 from

Standard bank is held as a security for loan obtained from Development Bank of South Africa



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

13 PROPERTY RATES

Actual

Residential and Commercial	7,539,562	3,905,636
Commercial	1,877,156	972,400
Farmland	3,620,907	1,875,693
State	2,723,655	1,410,901
Total property rates	15,761,300	8,164,630
Property rates - penalties imposed and collection charges	-	-
Total	15,761,300	8,164,630

Valuations

Residential	324,046,020	188,119,009
Commercial	76,012,830	82,558,520
State	12,449,250	99,070,331
Municipal and Farmland	580,659,800	386,701,665
Total Property Valuations	993,167,900	756,449,525

14 SERVICE CHARGES

Sale of electricity	(14,075,738)	13,958,224
Sale of water	(22,751,271)	22,544,084
Refuse removal	(10,659,621)	9,668,757
Sewerage and sanitation charges	(11,307,793)	14,646,011
Total Service Charges	(58,794,423)	60,817,076

15 RENTAL OF FACILITIES AND EQUIPMENT

Rental of facilities	576,677	1,344,167
Rental of equipment	1,404	8,940
Total rentals	578,080	1,353,107

16 INTEREST EARNED - EXTERNAL INVESTMENTS

Bank and Financial assets	1,565,653	4,156,533
Total interest	1,565,653	4,156,533

17 INTEREST EARNED - OUTSTANDING RECEIVABLES

Interest earned - outstanding receivables	11,503,342	12,346,897
Total interest	11,503,342	12,346,897

18 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	49,942,885	38,049,424
MIG Grant	29,945,177	15,335,000
FMG	1,152,305	500,000
MSIG	569,982	735,000
LG SETA	-	96,385
Dept of Tourism	-	23,550
Total Government Grant and Subsidies	81,610,348	54,739,359

18.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

The equitable share is an unconditional grant and is utilised to assist the local municipalities undertake service delivery

There was no delay or withholding of the subsidy

49,942,885	38,049,424
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The municipality has complied with the conditions of all grants received except of portion of MIG Grant



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

18.2 MIG Grant

Balance unspent at beginning of year	6,605,001	15,477,176
Current year receipts	23,814,000	15,335,000
Conditions met - transferred to revenue	(29,945,177)	(26,922,402)
Conditions still to be met - remain liabilities	473,825	3,889,774
The unspent grant is due to late implementation of projects and delays in projects		

18.3 MSIG

Balance unspent at beginning of year	680,474	329,777
Current year receipts	735,000	735,000
Conditions met - transferred to revenue	(569,982)	(384,303)
Conditions still to be met - remain liabilities	845,492	680,474
The unspent grant is due to delays in expenditure		

16.4 MFMG

Balance unspent at beginning of year	837,471	1,595,891
Current year receipts	750,000	750,000
Conditions met - transferred to revenue	(1,152,305)	(1,508,420)
Conditions still to be met - remain liabilities	435,166	837,471
The unspent grant is due to delays in expenditure		

16.5 DWAF drought relief

Balance unspent at beginning of year	500,000	500,000
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - remain liabilities	500,000	500,000
The unspent grant is due to delays in expenditure		

19 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS

Other income		
Other Income	2,070,806	8,778,016
Total Other Income	2,070,806	8,778,016

20 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages and bonuses	27,394,364	16,120,103
Employee related costs - Contributions for UIF, pensions and medical aids	6,377,192	4,866,552
Travel, motor car, accommodation, subsistence and other allowances	2,597,221	3,904,581
Housing benefits and allowances	116,151	1,221,010
Overtime payments	1,868,610	2,083,016
Total Employee Related Costs	38,353,538	28,195,262

Remuneration of the Municipal Manager		
Annual Remuneration	759,471	672,098
Performance- and other bonuses	-	-
Travel, motor car, accommodation, subsistence and other allowances	85,259	-
Contributions to UIF, Medical and Pension Funds	1,497	1,497
Total	846,227	673,595

Remuneration of the Chief Finance Officer		
Annual Remuneration	487,577	348,065
Performance- and other bonuses	-	-
Travel, motor car, accommodation, subsistence and other allowances	137,929	100,000
Contributions to UIF, Medical and Pension Funds	1,497	1,248
Total	627,003	449,313

Remuneration of Individual Executive Directors

	Chief Operating Officer R	Corporate Services R	Community Services R
2010			
Annual Remuneration	533,374	194,693	475,577
Performance- and other bonuses	14,000	16,224	32,000
Travel, motor car, accommodation, subsistence and other allowances	100,021	238,431	154,521
Contributions to UIF, Medical and Pension Funds	1,497	45,578	1,497
Total	648,892	494,927	663,595

	Technical Services R	Corporate Services R	Community Services R
2009			
Annual Remuneration	63,805	176,193	357,678
Performance- and other bonuses	-	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	335,684	180,000
Contributions to UIF, Medical and Pension Funds	250	-	1,497
Total	64,054	511,877	539,176

Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

21 REMUNERATION OF COUNCILLORS

Executive Mayor	575,869	544,548
Deputy Executive Mayor	-	-
Speaker	491,388	439,179
Executive Committee Members	695,702	457,870
Councillors	2,388,757	2,263,299
Back pay		
Total Councillors' Remuneration	4,151,717	3,704,896

22 FINANCE COSTS

Borrowings	1,049,261	1,077,459
Bank overdrafts	-	1,961
Total Finance Costs	1,049,261	1,079,420

23 BULK PURCHASES

Electricity	12,880,547	10,788,732
Water	277,727	551,850
Total Bulk Purchases	13,158,274	11,340,382

24 GENERAL EXPENSES

	60,200,077	48,677,017
General expenses	60,200,077	48,677,017
Included in general expenses are the following:-		
Advertising	263,606	236,739
Audit fees	1,151,685	1,285,005
Bank charges	232,412	198,837
Cleaning	1,776,817	838,129
Free Basic Charge	13,451,971	28,043,766
Fuel and Oil	3,998,314	2,460,909
Insurance	647,927	308,662
Legal fees	571,142	17,805
Marketing Promotion	166,350	121,454
Membership fees	32,247	103,193
Postage	473,305	437,663
Loss on sale on disposal of assets	4,734,058	-
Printing and stationery	907,991	611,281
Professional fees	5,421,138	3,389,220
Rental of office equipment	620,961	929,742
Telephone Cost	1,131,816	577,026
Training and Conferences	524,979	556,448
Uniforms and Overall	178,353	-
Other	23,915,004	6,561,137
	60,200,077	48,677,017

25 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	46,558,257	31,472,046
Adjustment for:-		
Depreciation and amortisation	-	-
Inventories: (Write-down) / reversal of write-down to net realisable value	-	(2,104,932)
Contribution to provisions - non-current	-	-
Bad debts	2,503,998	24,378,174
Contribution to provisions - current	484,251	1,412,978
Loss on disposal of fixed assets	4,734,058	-
Indigent Written Off	926,733	-
Finance costs	1,049,261	1,079,420
Adjustments in respect of prior year financial statements/grap implementation	-	-
Impairment loss / (reversal of impairment loss)	-	-
Interest earned	(11,503,342)	(12,346,897)
Other non- operating items	385,362	27,664,673
Capital charges debited to operating income	-	-
Operating surplus before working capital changes:	45,138,579	71,555,464
(Increase)/decrease in inventories	1,623,601	(2,081,392)
(Increase)/decrease in trade receivables	(23,662,094)	(27,840,023)
(Increase)/decrease in other receivables	(790,394)	(3,698,865)
(Increase)/decrease in VAT receivable	-	-
Increase/(decrease) in conditional grants and receipts	(6,807,709)	(8,929,315)
Increase/(decrease) in trade payables	3,772,716	1,297,897
Increase/(decrease) in VAT payable	1,553,979	7,412,844
Other asset	-	-
Other current financial liability	(16,665,578)	13,765,142
Cash generated by/(utilised in) operations	4,163,098	51,481,752

Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

26 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Short term call deposits	6,040,622	21,725,049
Cash on hand	-	2,120
Bank balances and cash	3,915,386	18,475,377
Net cash and cash equivalents (net of bank overdrafts)	9,956,008	40,202,546

27 ACCUMULATED SURPLUSES

the following items has been written off against accumulated surpluses

Cleaning of suspense account (council resolution)	10,690,957	(12,028,954)
Other	(12,960,002)	9,759,910
Total	(2,269,044)	(2,269,044)

28 CHANGE IN ACCOUNTING POLICY

The following adjustments were made to amounts previously reported in the annual

Implementation of GRAP

Transferred to Accumulated Surplus/(Deficit) (see notes below)

28.1 Implementation of GRAP

Balance previously reported

Implementation of GRAP 17

Transferred to Accumulated Surplus/(Deficit)

Total

692,188,398	-
692,188,398	-

29 RESTATEMENT OF COMPARATIVE INFORMATION

Restatements

Previously reported

The comparative amount has been restated as follows:

Provision	2,791,804	3,388,989
Accumulated Surplus/(Deficit) due to correction of leave and bonuses	329,358,901	328,781,718
Investments	10,627,510	10,655,998
Fixed Assets	1,039,224,070	351,381,585
Accumulated Surplus/(Deficit)	1,023,826,343	329,358,901
VAT payable	9,041,926	12,129,478
Net cash flow from operating activities	51,481,752	51,547,680
Net cash flow from investing activities	388,082	453,991
Investment property	3,650,000	-
Intangible asset	15,962	-
Total	2,488,740,387	1,087,678,297

29.1 Disclosure in terms of Paragraph 49 of the General Recognised Accounting Practice (GRAP) standard 3

Provision:

Accumulated Surplus/(Deficit) due to correction of leave and bonuses

Provision for leave and bonuses was adjusted due to 2008/09 auditors adjustments that was raised relating to overstatement of leave

Investments

Investments were restated by removal of Eskom deposits that was included as part of investments

Fixed Assets

Fixed Assets restatement is due to the implementation of Grap 17 fixed assets register by the municipality

VAT payable

VAT was restated due to incorrect calculation of VAT at 30 June 2009

Accumulated Surplus/(Deficit)

Refer to investment, fixed assets and VAT as mentioned in the above paragraph

Investment property

Intangible asset

Refer to fixed assets as mentioned in the above paragraph



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

30 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

30.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance	13,254,568	13,254,568
Unauthorised expenditure current year	13,212,201	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	<u>26,466,769</u>	<u>13,254,568</u>

The municipality exceeded its total budget for the year ended 30 June 2010 by R13 212 201 (2009: R13 254 568)

30.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance -	136,400	437,300
Fruitless and wasteful expenditure current year	1,498	-
Condoned or written off by Council	-	(300,900)
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>137,898</u>	<u>136,400</u>

At 30th June 2009, management write off amount of R300 900 of a debt raised for a

The fruitless and wasteful expenditure awaiting condonement consists with the following:

Payment of salary to fictitious employee	R12 788	Previously reported
TeamMate	R17 121	Previously reported
Loss of council property due to theft	R15 000	Previously reported
Loss due to the approval of an old disused tractor which is unsuitable for municipal use	R1 400	Previously reported
Penalty interest due to withdrawals of investment before maturity	R1 498	Current year

30.3 Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	409,269	409,269
Irregular expenditure - current year	165,571	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	<u>574,840</u>	<u>409,269</u>

Current year irregular expenditure also include to salaries of officials with terminated contract as follows:

MC MAKOPOL - R4000.00	4,000
MC MAKOPOL - R4224.00	4,224
Lawnmowers paid but not received - R153895.97	153,896
Overpayment of travel claims -	<u>3,451</u>
	<u>165,571</u>

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE

31 MANAGEMENT ACT

31.1 Contributions to organised local government

Opening balance	-	-
Council subscriptions - membership fees	32,247	-
Amount paid - current	20,000	103,193
Amount paid - previous years	-	-
Balance unpaid (included in payables)	<u>-</u>	<u>-</u>

31.2 Audit fees

Amount paid	1,151,685	1,285,005
Total	<u>1,151,685</u>	<u>1,285,005</u>



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

31.3 VAT

VAT input receivables and VAT output payables are shown in note 10. All VAT returns have been submitted by the due date throughout the year.

31.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	3,515,695	3,348,837
Amount paid - current year	(3,515,695)	(3,348,837)
Amount paid - previous years		
Balance unpaid (included in payables)	-	-

31.5 Pension and Medical Aid Deductions

Opening balance		
Current year payroll deductions and Council Contributions	6,123,898	3,975,959
Amount paid - current year	(6,123,898)	(3,975,959)
Amount paid - previous years		
Balance unpaid (included in payables)	-	-

31.6 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at: -

	Total	Outstanding less	Outstanding more
	R	than 90 days	than 90 days
		R	R
as at 30 June 2010			
Councillor P M Moloedi	10,781	181	10,600
Councillor M S Mokoena	8,753	335	8,418
Total Councillor Arrear Consumer Accounts	19,533	516	19,018
as at 30 June 2009			
Councillor P M Moloedi	12,529	699	11,830
Councillor M S Mokoena	1,046	364	682
Total Councillor Arrear Consumer Accounts	13,575	1,063	12,512

32 CAPITAL COMMITMENTS

32.1 Commitments in respect of capital expenditure

- Approved and contracted for	23,925,860	60,086,408
Infrastructure	23,925,860	60,086,408
Community	-	-
Heritage	-	-
Other	-	-
See appendix G		
- Approved but not yet contracted for	32,612,000	41,674,412
Infrastructure	31,717,000	39,374,412
Community	-	-
Heritage	-	-
Other	895,000	2,300,000
Does not form part of appendix G		
Total	32,612,000	41,674,412

This expenditure will be financed from:

- External Loans	-	-
- Government Grants	23,317,000	31,268,912
- Own resources	895,000	10,405,500
- District Council Grants	-	-
	24,212,000	41,674,412

32.2 Operating leases - Lessee

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

Operating leases - lessee

Within one year	186,593	137,733
In the second to fifth year inclusive	382,545	640,258
After five years	569,138	291,224
Total	1,138,276	1,069,215

Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

32.3 Operating leases - Lessor

At the reporting date the entity has under operating leases which fall due as follows:

Operating leases - lessee

Within one year	325,180	137,733
In the second to fifth year inclusive	572,302	640,258
After five years	734,892	291,224
Total	1,632,374	1,069,215

34 RETIREMENT BENEFIT INFORMATION

34.1 Defined contribution plan

The employees and councillors of the Municipality are members of the following pension funds

SALA pension fund
SAMWU National Provident fund
Free state pension fund
Pension fund for municipal councillors

35 CONTINGENT LIABILITY

35.1

1. Ateng Mafumadi v/s Nketoana Local Municipality. The Service provider is suing the municipality an amount of R96 400 for outstanding payments
2. BOSAMWU v/s Nketoana Local Municipality. The temporary employees whose contracts were terminated on the 31 August 2009 have taken the municipality to the bargaining council requesting to be reinstated to their positions.
3. South African Local Government Association Bargaining Council have agreed with unions to back date all salary payments after job valuation for six months

35.2 At 30 June 2010, the municipality has landfill sites and the amount of rehabilitation is unknown

35.3 At year end, the municipality has received a lawyer's confirmation which indicate that a labour dispute which may result in possible damages to be incurred by the municipality in favour of CW Ntswell amounting to R 168 000

36 RELATED PARTIES

None reported for the current period

37 EVENTS AFTER THE REPORTING DATE

37.1 Brokerage and shortterm insurance for Nketoana Local Municipality was awarded to Lateral Unison Insurance Brokers (Pty) Ltd for the period 1 July 2010 to 30 June 2013. **SEE APPENDIX G (commitments)**

37.2 On the 22 October 2010 (around 16h35 to 18h00) and again on the 25 October 2010 (around 06h00 in the morning), amounts were fraudulently withdrawn from two council accounts. A case has been opened at the local SAPS and forensic unit at ABSA is investigating this fraud.

38 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment
Recoverable amounts of property, plant and equipment
Provision for doubtful debts
Impairment of assets

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Useful lives and residual values of property, plant, and equipment (treasury circulation directive 4)
Provisions



Nketoana Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

39 RISK MANAGEMENT

39.1 Maximum credit risk exposure

The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation

Financial assets exposed to credit risk at year end were as follows:

Investments and deposits	14,416,890	32,352,559
Trade and other receivables		
	151,988,876	128,326,782

These balances represent the maximum exposure to credit risk.

39.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

39.3 Interest rate risk

issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

At year end, financial instruments exposed to interest rate risk were as follows:

Investments and deposits	14,416,890	32,352,559
- Development Bank of South Africa loan	10,153,726	10,447,124

40 Non- compliance with the Municipal Finance Management Act

The municipality has not established performance audit committee for the year

The municipality has not adopted the annual report

41 Comparison with the budget

The comparison of the municipality's actual financial performance with the budget is set out in Annexure E

The municipality has not adopted the annual report



Nketoana Local Municipality
APPENDIX A
SCHEDULE OF EXTERNAL LOANS
as at 30 June 2010

EXTERNAL LOANS	Loan number	Redeemable Date	Balance at 30 June 2009	Received during the period	Redeemed / written off during the period	Balance at 30 June 2010	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA
			R	R	R	R	R	R
LONG-TERM LOANS								
Development bank @ 10.35%		31/12/2024	8,938,851	-	246,762	8,692,090	-	-
Development bank @ 9.09%			1,506,273	-	46,636	1,461,637	-	-
Total long-term loans								
TOTAL EXTERNAL LOANS			10,447,124	-	293,398	10,153,726	-	-

Nketoana Local Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2010

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Adjustments	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of Impairment loss	Closing Balance			
	R	R	R	R	R	R	R	R	R	R			R
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites	190,479,468	-	-	-	190,479,468	-	-	-	-	-	-	-	190,479,468
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-
	190,479,468	-	-	-	190,479,468	-	-	-	-	-	-	-	190,479,468
Buildings	92,775,000	165,125	-	-	92,940,125	-	-	-	-	-	-	-	92,940,125
Infrastructure													
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	543,436,702	17,152,289	-	-	560,589,001	-	-	-	-	-	-	-	560,589,001
Sewerage Mains & Purification	120,129,813	12,405,407	-	-	132,535,220	-	-	-	-	-	-	-	132,535,220
Electricity Mains	32,340,286	2,988,839	-	-	35,329,125	-	-	-	-	-	-	-	35,329,125
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	43,598,041	783,107	-	-	44,381,148	-	-	-	-	-	-	-	44,381,148
Reservoirs - Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-
	832,277,842	33,474,777	-	-	865,752,619	-	-	-	-	-	-	-	865,752,619
Community Assets													
Parks & Gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadiums	90,000	-	-	-	90,000	-	-	-	-	-	-	-	90,000
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
	90,000	-	-	-	90,000	-	-	-	-	-	-	-	90,000
Investment Property													
Rental Buildings	3,550,000	-	-	-	3,550,000	-	-	-	-	-	-	-	3,550,000
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	1,026,397,310	33,474,777	-	-	1,059,872,087	-	-	-	-	-	-	-	1,059,872,087
Total brought forward	1,026,397,310	33,474,777	-	-	1,059,872,087	-	-	-	-	-	-	-	1,059,872,087
Other Assets													
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire engines	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse tankers	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	16,378,758	6,908,033	(5,419,272)	(3,949,085)	13,916,434	-	-	-	-	-	-	-	13,916,434
	16,378,758	6,908,033	(5,419,272)	(3,949,085)	13,916,434	-	-	-	-	-	-	-	13,916,434
Intangible Assets													
Computer Software	15,962	10,000	-	-	25,962	-	-	-	-	-	-	-	25,962
	15,962	10,000	-	-	25,962	-	-	-	-	-	-	-	25,962
Total	1,042,786,031	40,382,810	(5,419,272)	(3,949,085)	1,073,814,483	-	-	-	-	-	-	-	1,073,814,483



Nketoana Local Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2009

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Adjustments	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R	R	R	R	R	R	R	R	R			R
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites	2,473,392	882,034	-	187,124,043	190,479,468	-	-	-	-	-	-	-	190,479,468
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,473,392	882,034	-	187,124,043	190,479,468	-	-	-	-	-	-	-	190,479,468
Buildings	-	-	-	92,775,000	92,775,000	-	-	-	-	-	-	-	92,775,000
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	33,968,789	4,984,751	-	504,483,162	543,436,702	-	-	-	-	-	-	-	543,436,702
Sewerage Mains & Purification	129,992,260	22,388,178	-	(32,250,623)	120,129,813	-	-	-	-	-	-	-	120,129,813
Electricity Mains	15,837,994	1,899,829	-	14,802,463	32,340,286	-	-	-	-	-	-	-	32,340,286
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	76,046,957	1,242,351	-	(33,693,267)	43,596,041	-	-	-	-	-	-	-	43,596,041
Reservoirs – Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-
	255,846,000	30,615,108	-	645,916,735	832,277,842	-	-	-	-	-	-	-	832,277,842
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks & Gardens	1,475,339	-	-	(1,475,339)	-	-	-	-	-	-	-	-	-
Libraries	131,376	-	-	(131,376)	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	61,648	-	(61,648)	-	-	-	-	-	-	-	-	-
Civic Buildings	11,703,795	-	-	(11,703,795)	-	-	-	-	-	-	-	-	-
Stadiums	-	-	-	90,000	90,000	-	-	-	-	-	-	-	90,000
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	50,709	-	-	(50,709)	-	-	-	-	-	-	-	-	-
	13,381,219	61,648	-	(13,332,867)	90,000	-	-	-	-	-	-	-	90,000
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Building	-	-	-	3,550,000	3,550,000	-	-	-	-	-	-	-	3,550,000
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	271,880,811	31,458,789	-	723,257,910	1,026,397,310	-	-	-	-	-	-	-	1,026,397,310
Total brought forward	271,880,811	31,458,789	-	723,257,910	1,026,397,310	-	-	-	-	-	-	-	1,026,397,310
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire engines	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse tankers	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	44,864,282	3,377,884	-	(31,865,406)	16,376,758	-	-	-	-	-	-	-	16,376,758
	316,544,893	34,836,673	-	691,392,503	1,042,774,069	-	-	-	-	-	-	-	1,042,774,069
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer software	-	-	-	15,962	15,962	-	-	-	-	-	-	-	-
	-	-	-	15,962	15,962	-	-	-	-	-	-	-	15,962
Total	316,544,893	34,836,673	-	691,408,464	1,042,790,030	-	-	-	-	-	-	-	1,042,790,031

Nketoana Local Municipality
APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2010

	Cost / Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Adjustments	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R
Executive & Council	-	-	-	-	-	-	-	-	-	-
Finance & Admin	-	-	-	-	-	-	-	-	-	-
Planning & Development	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Community & Social Services	90,000	-	-	-	90,000	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Sport & Recreation	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Waste Management	120,129,813	12,405,407	-	-	132,535,220	-	-	-	-	132,535,220
Road Transport	543,436,702	17,162,299	-	-	560,599,001	-	-	-	-	560,599,001
Water	43,596,041	763,107	-	-	44,359,148	-	-	-	-	44,359,148
Electricity	32,340,286	2,988,639	-	-	35,328,925	-	-	-	-	35,328,925
Other	303,197,189	7,093,158	(3,949,086)	(5,419,272)	300,911,989	-	-	-	-	300,911,989
Total	1,042,790,032	40,392,810	-3,949,086.26	-5,419,272.03	1,073,814,482	-	-	-	-	1,073,814,482



Nketoana Local Municipality
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2010

2009	2009	2009		2010	2010	2010
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R		R	R	R
445,538	9,775,931	(9,330,393)	Executive & Council	339,529	16,040,376	(15,700,847)
32,589,845	47,935,605	(15,345,760)	Finance & Admin	109,939,380	21,578,619	88,360,761
		-	Planning & Development			-
		-	Health			-
21,912	2,424,844	(2,402,932)	Community & Social Services	371,980	7,385,416	(6,993,436)
		-	Public Safety	148,277	1,704,690	(1,558,413)
7,490	1,618,331	(1,610,841)	Sport & Recreation	467,137	3,028,652	(2,561,515)
		-	Environmental Protection			-
12,125,307	2,420,662	9,704,645	Waste Management	22,026,473	16,914,453	5,112,020
		-	Road Transport	15,766	5,651,345	(5,635,579)
48,329,786	3,585,548	42,744,238	Water	22,764,139	8,704,063	14,060,076
18,124,286	12,954,726	5,169,559	Electricity	14,244,360	25,631,586	(11,387,226)
40,832,315	39,796,531	1,035,784	Other	1,722,142	18,859,726	(17,137,584)
150,476,476	120,512,178	29,964,300		-	-	-
	2,104,932	2,104,932	Less: Reversal of write off			
150,476,476	118,407,246	32,069,232	Total	172,037,183	125,478,926	46,558,257

Nketoana Local Municipality
APPENDIX E
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010

	2010 Actual (R)	2010 Budget (R)	2010 Variance (R)	2010 Budget (%)
Revenue				
Revenue from Non-exchange Transaction				
Taxation				
Property rates	15,761,300	7,153,000	8,608,300	55%
Other non-exchange revenue			-	
Service charges	58,794,423	49,601,858	9,192,565	16%
Rental of facilities and equipment	578,080	341,314	236,766	41%
Interest earned - external investments	1,565,853	350,000	1,215,853	78%
Interest earned - outstanding receivables	11,503,342	4,976,894	6,526,448	57%
Fines	153,231	-	153,231	100%
Licences and permits	-	60,000	-60,000	#DIV/0!
Other income	2,070,806	743,500	1,327,306	64%
Transfer revenue			-	
Government grants and subsidies	81,610,348	51,428,000	30,182,348	37%
Total revenue	172,037,183	114,654,566	57,382,617	33%
Expenditure				
Employee related costs	42,505,255	35,860,919	-6,644,336	-16%
Contribution to Bad debts provision	2,503,998	6,453,641	3,949,643	158%
Repairs and maintenance	6,062,061	9,554,000	3,491,939	58%
Finance costs	1,049,261	1,440,000	390,739	37%
Bulk purchases	13,158,274	15,450,000	2,291,726	17%
General expenses	60,200,077	43,508,165	-16,691,912	-28%
Total Expenditure	125,478,926	112,266,725	-13,212,201	-11%
Inventories: (Write-down) / reversal of write-down to net realisable value	-	-	-	
Surplus / (deficit) for the period	46,558,257	2,387,841	-44,170,416	-95%



Nketoana Local Municipality

**DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003
FOR THE YEAR ENDED 30 JUNE 2010**

APPENDIX F

GRANT DESCRIPTION	Balance as at 1 July 2009	Other Adjustments	Current year receipts	Operating expenditure during the year (Transferred to revenue)	Capital expenditure during the year (Transferred to revenue)	Balance as at 30 June 2010
	R	R	R	R	R	R
District Municipality Grants						
National Government Grants						
DWAF drought relief	381,284	(381,284)				-
Thabo Mofutsanyana District municipality - Lindley storm wa	57,962	(57,962)				-
Equitable share	-		49,942,885	(49,942,885)	-	-
Financial Management Grant	837,471		750,000	(1,152,305)		435,166
MSIG Grant	680,474		735,000	(569,982)		845,492
Municipal Infrastructure Grant (MIG)	6,605,001		23,814,000		(29,945,177)	473,825
DWAF drought relief	500,000					500,000
TOTAL	9,062,193	(439,246)	75,241,885	(51,665,171)	(29,945,177)	2,254,483

Nketoana Local Municipality

**SCHEDULE OF CAPITAL COMMITMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

APPENDIX G

DESCRIPTION	2010 Budgeted Expenditure	2010 Actual Expenditure	2010 Commitment	2010 Retention Monies	2010 Suretyship
	R	R	R	R	R
Municipal Infrastructure Grant (MIG)					
<u>Ntha 1</u>					
Roads	5,977,073	177,282	5,799,791	298,854	See tender document
<u>Ntha 2</u>					
Roads	5,821,147	448,234	5,372,913	291,057	See tender document
<u>Petsana 2</u>					
Roads	6,040,981	85,373	5,955,608	302,049	See tender document
<u>Mamafubedu 2</u>					
Roads	5,772,076	91,981	5,680,095	288,604	See tender document
<u>Mamafubedu 1</u>					
Roads	7,372,934	6,114,331	1,258,603	368,647	See tender document
TOTAL	30,984,212	6,917,202	24,067,010	1,549,211	-

Brokerage and shortterm insurance for Nketoana Local Municipality was awarded to Lateral Unison Insurance Brokers (Pty) Ltd for the period 1 July 2010 to 30 June 2013.





AUDITOR-GENERAL
SOUTH AFRICA

Speaker
Nketoana Local Municipality
P.O.Box 26
Reitz
9810

30 November 2010

Reference: 21390REG09/10

Dear Speaker

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Nketoana Local Municipality for the year ended 30 June 2010

Attached please find Report of the Auditor-General on the financial statements and other legal and regulatory requirements for the year ended 30 June 2010.

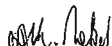
It should be emphasised that this report will only become a public documents at date of Tabling, except if the provisions of the MFMA are not complied with and should therefore be treated as confidential until then.

My office will be glad to assist in any uncertainties that may exist regarding the contents of the reports.

I trust that you will find this in order.

Kind regards

Yours sincerely


B.J.K. van Niekerk
Business Executive: Free State

Enquiries: Willem Opperman
Telephone: (051) 400 7609
Fax: (051) 400 7630
Email: willemopp@agsa.co.za

g to build public confidence

Auditor-General of South Africa

315 Bloemfontein 9300 Free State • Docex 65 • Tel: +27 (0)51 400 7600 • Fax: +27 (0)51 400 7630 • www.agsa.co.za



AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON NKETOANA LOCAL MUNICIPALITY

REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Nketoana Local Municipality which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages ... to

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126 of the MFMA, my responsibility is to express an opinion on the financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 6..... I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Revenue

7. There was no system of control over prepaid electricity on which I could rely for the purpose of my audit, and there were no satisfactory audit procedures that I could perform to obtain reasonable assurance that prepaid electricity was accurately recorded using the tariffs approved by the National Energy Regulator of South Africa (NERSA). Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the accuracy and completeness of revenue from the sale of prepaid electricity of R588 066 disclosed under note 14 to the financial statements.

Accumulated surplus

8. In paragraph 13 of the prior year's audit report, I reported that differences were identified between the interest rate charged as per the system and the rates that should have been charged. As the relevant information was not available I was not able to calculate what the interest charged against trade and other receivables and interest earned revenue should have been had the rates been applied correctly.

This error was corrected in the 2009-10 financial year but it was not done so retrospectively. As a result, the opening balances for trade and other receivables and the accumulated surplus were misstated by R364 112. The current year's interest revenue was also misstated by the same amount.

9. The following matters reported in paragraph 13 of the prior year audit report have not been resolved. As a result, the corresponding figures of the current year trade receivables as disclosed in note 2 and accumulated surplus are misstated by an unquantified amount:
- a) Differences were identified with regard to meter readings and tariffs used to levy charges during the year. As the relevant information was not available I was not able to calculate what the charges against trade and other receivables and service charges revenue should have been had the tariffs been applied correctly.
 - b) Differences were identified between the electricity tariffs charged and the approved tariffs as per NERSA. As the relevant information was not available I was not able to calculate what the electricity tariffs charged against trade and other receivables and service charges revenue should have been had the tariffs been applied correctly.
 - c) Sufficient supporting documentation could not be obtained for a journal amounting to R6 611 934 that was posted to the other income revenue general ledger account and journals amounting to R37 495 123 and R37 536 516 debited and credited against revenue respectively.

Property, plant and equipment (PPE)

10. Fixed assets could not be physically identified for inspection due to a lack of the proper and unique identification of the assets and their location in the fixed asset register. No alternative procedures could be performed as the fixed asset register was deemed the only suitable record of fixed assets held by the municipality. Therefore, I could not obtain sufficient appropriate audit evidence to confirm the existence and completeness of the municipality's property, plant and equipment at year-end amounting to R1 070 238 522 (2009: R1 039 224 070) (provisional value as per Directive 4) as disclosed in the statement of financial position and note 6 to the financial statements.

Irregular expenditure

11. Irregular expenditure amounting to R1 902 222 (2009: R6 215 356) which resulted from non-compliance with the municipality's supply chain management policy were identified. This irregular expenditure is not disclosed as required by section 125(2)(d) of the MFMA and therefore irregular expenditure as disclosed in the note 30.3 to the financial statements is understated.
12. Due to a lack of a proper system to account for and identify irregular expenditure I could not perform alternative audit procedures to obtain sufficient appropriate audit assurance as to the completeness of irregular expenditure disclosed in note 30.3 to the financial statements amounting to R165 571 (2009: R409 269).

Contingent liabilities

13. I could not obtain responses from the attorneys of the municipality to my request for

information on outstanding legal cases involving the municipality. I could therefore not confirm the completeness of contingent liabilities disclosed in the notes to the financial statements. Due to lack of a proper system to identify and record contingent liabilities I could not perform alternative audit procedures to obtain sufficient appropriate audit assurance as to the completeness of contingent liabilities amounting to R264 400 disclosed in note 35 to the financial statements.

Accounts receivable

14. The provision for bad debts was calculated based on the aging of debtors as per the age analysis. The valuation of the impairment was reviewed and Receivables are considered to be overstated by an estimated amount of R 3 869 649. Furthermore, the entity did not comply with the impairment assessment requirements of the South African Statement of Generally Accepted Accounting *Practice, IAS 39 (AC 133), Financial instruments: Recognition and measurement* (IAS 39), nor did it apply the impairment valuation methods recommended by the National Treasury. There was insufficient information available in the debtors system to be able to apply the assessment requirements for the provision. This therefore constitutes a material deviation from the reporting framework.

Financial instruments

15. The entity did not discount any of its revenue or expenditure transactions during the year as they occurred as required by IAS 39, nor did it account for the time value at year-end for accounts receivable or accounts payable. As the entity is required to recognise the interest portion as and when the transactions occur and as I could not determine which expenditure items were purchased on credit, I could not reliably estimate the error for expenditure and payables. The error for revenue is estimated at R662 102 and the error for receivables is estimated at R40 338. Comparative amounts were not available for the 2009 financial year.

Qualified opinion

16. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Nketoana Local Municipality as at 30 June 2010 and its financial performance and its cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practices and in the manner required by the MFMA.

Emphasis of matter

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Restatement of corresponding figures

17. As disclosed in note 29 to the financial statements, the corresponding figures for 30 June 2009 have been restated as a result of errors discovered during the 2009-10 financial year in the financial statements of the Nketoana Local Municipality at, and for the year ended, 30 June 2009.

Unauthorised expenditure

18. As disclosed in note 30 to the financial statements, unauthorised expenditure to the amount of R13 212 201 was incurred, as the municipality exceeded its total budget for the year ended 30 June 2010.

Material losses

19. The municipality incurred a loss of R4 734 059 on the disposal of assets due to the overstatement of assets as a result of the application of Directive 4 on provisional accounting for assets.

Additional matters

I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

20. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

21. As required by the PAA and in terms of *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the MFMA, Local Government: Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) and financial management (internal control).

Predetermined objectives

22. Material findings on the report on predetermined objectives, as set out on pages ... to ..., are reported below:

Non-compliance with regulatory and reporting requirements

- a) The financial plan in the integrated development plan did not include the budget projection for at least the next three years as required by section 26 of the MSA.
- b) The council approved the service delivery and budget implementation plan more than five months after approval of the annual budget instead of within 28 days as required by section 53 of the MFMA.
- c) For the selected objectives, 100% of the planned and reported targets were not:
 - specific in clearly identifying the nature and the required level of performance
 - measurable in identifying the required performance
 - time bound in specifying the time period or dead line for delivery.

Compliance with laws and regulations

Municipal Finance Management Act

The accounting officer did not adhere to his statutory responsibilities

23. Section 69(3) of the MFMA requires the accounting officer to no later than 14 days after the approval of an annual budget, submit to the mayor:
- a draft SDBIP for the budget year
 - drafts of the annual performance agreements as required in terms of section 57(1) of the MSA for the municipal manager and all senior managers.

I could not obtain evidence that the accounting officer submitted these reports to the mayor no later than 14 days after approval of an annual budget.

24. Contrary to section 62(1)(c)(i) of the MFMA, the accounting officer did not comply with his legislative responsibility of managing the financial administration of the municipality by not taking reasonable steps to ensure that:
- the fleet management policy is approved
 - the expenditure policy is approved and implemented in full
 - the policy on delegation of authority matrix is implemented
 - the supply chain management policy is implemented
 - the investment policy is implemented
 - the credit control or debt collection by-law is implemented.

25. The accounting officer did not prepare or table any of the section 32 MFMA reports to the council during the year.

The mayor did not adhere to his legislative responsibilities

26. Contrary to section 53 (1)(c) of the MFMA, the mayor did not ensure that the council approve the municipality's service delivery and budget implementation plan within 28 days after the approval of the annual budget.
27. Contrary to section 53(2) of the MFMA, the mayor did not report to the Municipal council and the MEC for Finance in the Free State on non-compliance relating to the budget, service delivery and budget implementation plan and integrated development plan preparation and implementation.

The audit committee was not functioning properly

28. Contrary to section 166 of the MFMA, the municipality did not have a functional audit committee during the year.

The internal audit unit was not functioning properly

29. Contrary to section 165 of the MFMA, the internal audit unit of the municipality was not functional during the year.

Expenditure was incurred otherwise than in accordance with sections 15 of the MFMA resulting in unauthorised expenditure

30. Contrary to section 15 of the MFMA, expenditure was not incurred in accordance with the approved budget of the municipality and exceeded the limits of the amounts appropriated for the different votes in the approved budget of the municipality. As a result, unauthorised expenditure amounting to R13 254 568 was incurred and this is correctly disclosed in note 30.1 to the financial statements.

Expenditure was incurred in contravention of or not in accordance with applicable legislation resulting in irregular expenditure

31. Expenditure amounting to R1 902 222 (2009: 6 215 356) was not incurred in accordance with the requirements of the supply chain management policy of the municipality. The non-compliance constitutes "irregular expenditure" as set out in paragraph 1(d) of the MFMA.

INTERNAL CONTROL

32. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives as well as compliance with the MFMA and MSA but not for the purpose of expressing an opinion on the effectiveness of internal control.
33. The matters reported below are limited to the significant deficiencies regarding the basis for disclaimer of opinion paragraphs, the findings on the report on predetermined objectives and the findings on compliance with laws and regulations.

Leadership

34. Several instances of non-compliance regarding the integrated development plan, service delivery and budget implementation plan and performance management were identified. This reflects the municipal leadership's inability to provide strategic and operational guidance and leadership. It is also apparent that the leadership did not lead by example as several instances were noted where senior officials did not review or approve important reconciliations.

Financial and performance management

35. The municipality relied heavily on the service provider to produce meaningful and accurate financial statements. Several errors were identified in account balances and classes of transactions which point to inadequate review and approval procedures by senior officials.

Governance

36. The municipality's governance structure did not function efficiently during the year. The municipality did not have a functional audit committee. Furthermore, the internal audit is led by an assistant internal audit manager who reports to the chief operating officer. Best practice standards require the internal audit function to be headed by an adequately qualified official who should report administratively to the accounting officer and functionally to the audit committee. The internal audit function should provide internal assurance on the effectiveness of the internal controls of the municipality.
37. The municipality operated without a risk committee or information technology steering committee during the financial year under review.

Bloemfontein

30 November 2010



NKETOANA LOCAL MUNICIPALITY



OPERATION CLEAN AUDIT STRATEGIC PLAN

January 2011



1. VISION

To obtain an unqualified audit opinion on the 2010/2011 annual financial statements.

2. MISSION.

1. To improve financial capacity of the municipality.
2. To comply with all relevant legislations.
3. Improve on accountability and reporting.
4. Create a working team with common purpose.

3. PLAN – TO DO LIST

WHAT	WHEN	WHO	PROGRESS	
			ACHIEVED	NOT ACHIEVED
Cash and Cash Equivalents				
1. Reconcile the bank accounts and ensure that outstanding items are cleared regularly.	Monthly	Ishmael		
2. Count the petty cash daily and update the petty cash register.	Daily	Petty Cash Officers		
Trade and other receivables from exchange transaction.				
3. Reconcile the debtors control account to the subledger.	Monthly	Bertus		
4. Reconciliation of the Property Rates Tax	Monthly	Bertus		
5. Ensure that the billing is accurate.	Monthly	Mamokete		
6. Write off indigents debtors.	January 2011	Teboho		
Inventory				
7. Count the stock.	Monthly	Letty		
8. Update the inventory register.	Daily	Dimakatso		
9. Correct the PS09 report.	January 2011	Dimakatso		

Prepared by Vincent Bongani Mkhafa

Page 2



Investments				
10. Reconcile the investment accounts.	Monthly	Fikile		
11. Update the interest received account.	Monthly	Fikile		
Property Plant and Equipments				
12. Update the assets register.	January April June	Maseko		
13. Reconcile the register to the general ledger.	February 2011	Fikile		
14. Identify intangible assets.	February 2011	Maseko		
15. Identify biological and investment assets.	January 2011	Maseko		
Trade and other payables from exchange transaction				
16. Ensure that all payment vouchers are safely kept.	Daily	Disebo		
17. Reconcile the creditors control account to the subledger.	Monthly	Ishmael		
18. Prepare creditors reconciliation.	Monthly	Ishmael		
19. Clear creditors accrual account.	January 2011	Disebo		
Consumer Deposits				
20. Reconcile the consumer deposit register to the general ledger.	March 2011	Nanncy		
21. Prepare a report to council on consumer debtors accounts without deposits.	March 2011	Nanncy		
VAT				
22. Reconcile the VAT control account.	Monthly	Fikile		
Grants				
23. Update register for grants.	Monthly	Sibongile		
24. Reconcile the register to the general ledger.	Monthly	Sibongile		
Borrowings				
25. Update the loan register.	Monthly	Fikile		



26. Update the interest paid account.	Monthly	Fikile		
Reserves				
27. Update reserves account.	Monthly	Fikile		
28. Submit a report to council on reserves account.	March 2011	Fikile		
Accumulated Surplus and Deficit				
29. Reconcile salary suspense account.	Monthly	Teboho		
30. Update provision for leave schedule.	Monthly	Esther		
31. Prepare internal control for sundry income Library Fees Parks and Swimming Pool Leasing Income Hall Income Cemetery Income Traffic Fines Other income	Daily	Bertus		
32. Comply with Supply Chain Management Policy	Daily	Dimakatso		
Internal Controls				
33. Reconcile general ledger accounts. Ensure that the trail balance is correct.	Monthly	Fikile		
34. Ensure that all transaction are correctly captured.	Daily	Fikile and Bertus		
35. Clear audit queries in the management letter.	April 2011	Fikile and Bertus		
36. Clear outstanding irregular and unauthorised expenditure.	March 2011	Vincent		
37. Ensure that all journals are captured and properly filled.	Daily	Fikile and Bertus		
Monitoring				
38. Monitor implementation of this plan.	Weekly	Vincent		
39. Convene monthly meetings.	Monthly	Letty		



4.3 BUDGET 2009/2010

Department / Office : MUNICIPAL SUMMARY

NKETOANA LOCAL MUNICIPALITY

VOTE	Description	Budget 2009/2010	Budget 2010/2011	Budget 2011/2012
	REVENUE			
	Property Rates			
	Property tax	7,153,000	7,539,262	7,946,382
	Sub-Total	7,153,000	7,539,262	7,946,382
		0	0	0
	USER CHARGES FOR SERVICES	0	0	0
	Electricity	14,677,163	15,469,729	16,305,095
	Water	10,500,000	11,067,000	11,664,618
	Sewerage	8,895,219	9,375,561	9,881,841
	Refuse	10,125,720	10,672,509	11,248,824
	Sub-total	44,198,102	46,584,799	49,100,378
		0	0	0
	RENTAL OF FACILITIES AND EQUIPMENT	0	0	0
	Rent - Farms	250,000	263,500	277,729
	Rent - Houses	46,800	49,327	51,991
	Rent - Crockery	2,000	2,108	2,222
	Rent - Town Hall	15,000	15,810	16,664
	Rent - Caravan Stands	0	0	0
	Rent - Sites	25,000	26,350	27,773
	Rent - Vehicles/Equipment	0	0	0
	Rent - Other	2,514	2,650	2,793
	Sub-total	341,314	359,745	379,171
		0	0	0
	INTEREST EARNED-EXTERNAL INVESTMENTS	0	0	0
	ABSA	350,000	368,900	388,821
	VKB	0	0	0
	Sub-total	350,000	368,900	388,821
		0	0	0
	INTEREST EARNED-OUTSTANDING DEBTORS	0	0	0
	Electricity	124,587	131,315	138,406
	Water	2,145,636	2,261,500	2,383,621
	Sewerage	1,235,478	1,302,194	1,372,512
	Refuse	1,325,412	1,396,984	1,472,421
	Other	145,781	153,653	161,950
	Sub-total	4,976,894	5,245,646	5,528,911
		0	0	0
	DIVIDENDS RECEIVED	0	0	0
	Old Mutual Shares	0	0	0
	Sub-total	0	0	0
		0	0	0
	LICENSES AND PERMITS	0	0	0
	License Applications	0	0	0
	Dog Tax	0	0	0
	Building plan Applications	60,000	63,240	66,655
	Sub-total	60,000	63,240	66,655
		0	0	0

VOTE	Description	Budget 2009/2010	Budget 2010/2011	Budget 2011/2012
	OPERATING GRANTS & SUBSIDIES	0	0	0
	Subsidy: Equitable Share	48,893,000	51,533,222	54,316,016
	Financial Management Grant	750,000	790,500	833,187
	MSIG Grant	735,000	774,690	816,523
	Councillors Support Grant	0	0	0
	Other Grants	0	0	0
	Sub-total	50,378,000	53,098,412	55,965,726
		0	0	0
	OTHER INCOME	0	0	0
	Sundries	230,000	242,420	255,511
	Rezoning	15,000	15,810	16,664
	Transgressions	0	0	0
	Clearance Certificates	25,000	26,350	27,773
	Surplus Cash	0	0	0
	Valuation Certificates	25,000	26,350	27,773
	Departmental	0	0	0
	Cemetery	360,000	379,440	399,930
	Lost Books	6,000	6,324	6,665
	Vehicle Registration	0	0	0
	Cattle On Hand (1/7)	0	0	0
	Pound Fees	0	0	0
	Admittance Fees	0	0	0
	Sales - Gravel/Sand/etc.	0	0	0
	Dep. Services to Public	0	0	0
	Transgression Fees	0	0	0
	Sales - Grain	0	0	0
	Connections	25,000	26,350	27,773
	Sewer Blockages	0	0	0
	Legal Fees - Income	60,000	63,240	66,655
	Garden Refuse	40,000	42,160	44,437
	Sales - Bins(Refuse/Sewer)	0	0	0
	Sales - Cattle	0	0	0
	Tests - Installations	2,000	2,108	2,222
	Disconnect & Re-connect	23,000	24,242	25,551
	New Connections	12,500	13,175	13,886
	Sub-total	823,500	867,969	914,839
		0	0	0
	TOTAL OPERATING REVENUE	108,280,810	114,127,973	120,290,884
		0	0	0
	EXPENDITURE	0	0	0
		0	0	0
	EMPLOYEE RELATED COSTS	0	0	0
	Salaries	23,376,310	24,638,630	25,969,116
	Housing	163,551	172,383	181,691
	Group Insurance	0	0	0
	Medical	707,427	745,628	785,892
	Overtime	1,784,836	1,881,218	1,982,803
	Pension	3,469,937	3,657,314	3,854,808
	Uniforms	0	0	0
	Stand-by	88,288	93,056	98,081
	Traveling Allowance	589,692	621,536	655,099
	UIF	199,682	210,465	221,830

VOTE	Description	Budget 2009/2010	Budget 2010/2011	Budget 2011/2012
	Other & Telephone	190,316	200,593	211,425
	Bonus	1,651,666	1,740,855	1,834,862
	SALGBC	2,058	2,169	2,286
		0	0	0
		0	0	0
	Sub-Total	32,223,762	33,963,845	35,797,893
		0	0	0
	EMPLOYEE RELATED COSTS - SOCIAL CONTRIBUTIONS	0	0	0
	Medical	0	0	0
	Pension	0	0	0
	Sub-total	0	0	0
		0	0	0
	REMUNERATION OF COUNCILLORS	0	0	0
	Salaries	4,166,804	4,391,812	4,628,970
	Medical	0	0	0
	Pension	0	0	0
	Traveling Allowance	0	0	0
	UIF	0	0	0
	Other & Telephone	432,000	455,328	479,916
	Sub-total	4,598,804	4,847,140	5,108,885
		0	0	0
	TOTAL EMPLOYEE COST	36,822,567	38,810,985	40,906,778
		0	0	0
	BAD DEBTS	0	0	0
	Provision: Property Rates	1,200,000	1,264,800	1,333,099
	Provision: Electricity	253,641	267,338	281,774
	Provision: Water	5,000,000	5,270,000	5,554,580
	Provision: Refuse	0	0	0
	Provision: Sewerage	0	0	0
	Provision: Other debtors	0	0	0
	Sub-total	6,453,641	6,802,138	7,169,453
		0	0	0
	REPAIRS AND MAINTENANCE - MUNICIPAL ASSETS	0	0	0
	Land & Buildings	665,000	700,910	738,759
	Tools	76,000	80,104	84,430
	Office machinery - Rentals	505,000	532,270	561,013
	Office machinery	35,000	36,890	38,882
	Machinery & Equipment	558,578	588,741	620,533
	Furniture	70,000	73,780	77,764
	Fences	65,000	68,510	72,210
	Pumps	1,125,000	1,185,750	1,249,781
	Kerbing	0	0	0
	Sports Grounds	500,000	527,000	555,458
	Storm Water	2,600,000	2,740,400	2,888,382
	Streetlights	85,000	89,590	94,428
	Roads	2,350,000	2,476,900	2,610,653
	Structures	10,000	10,540	11,109
	Sidewalks	150,000	158,100	166,637
	Terrain/Grounds	0	0	0
	Traffic Signs	56,000	59,024	62,211
	Network	1,612,000	1,699,048	1,790,797
	Vehicles	544,000	573,376	604,338
	Sub-total	11,006,578	11,600,933	12,227,384
		0	0	0
	BULK PURCHASES	0	0	0
	Water	600,000	632,400	666,550
	Electricity	12,512,500	13,188,175	13,900,336
	Sub-total	13,112,500	13,820,575	14,566,886

VOTE	Description	Budget 2009/2010	Budget 2010/2011	Budget 2011/2012
		0	0	0
	GENERAL EXPENSES	0	0	0
	SALGBC	0	0	0
	Advertisements - Tenders / Notice	380,000	400,520	422,148
	Advertisements - Vacancies	120,000	126,480	133,310
	Depreciation's	5,235,712	5,518,440	5,816,436
	Bank - costs/fees	154,215	162,543	171,320
	Bank - Interest(Overdraft)	1,440,000	1,517,760	1,599,719
	Fuel and Oil	1,955,000	2,060,570	2,171,841
	Fertilizer	245,000	258,230	272,174
	Water Purification Chemicals	1,550,000	1,633,700	1,721,920
	Training and Conferences	620,000	653,480	688,768
	Stationary /Printing	824,000	868,496	915,395
	Electricity	0	0	0
	Transport of Stands	3,000,000	3,162,000	3,332,748
	Training Levy	0	0	0
	Credit Control Expenditure	1,500,000	1,581,000	1,666,374
	Membership Fees/Levy	126,000	132,804	139,975
	Licenses	2,000	2,108	2,222
	Replacement of Meters	556,000	586,024	617,669
	Disinfectants / Cleaning Material	135,000	142,290	149,974
	Public Events / Public Participation	523,000	551,242	581,009
	Audit Fees	560,000	590,240	622,113
	Rent - Postbox	500	527	555
	Postage	509,500	537,013	566,012
	Uniform	322,200	339,599	357,937
	Traveling & Subsistence	495,000	521,730	549,903
	Refuse	0	0	0
	Sewerage	0	0	0
	Periodicals/Reference Books/Magazines	29,700	31,304	32,994
	Marketing and Promotions	582,000	613,428	646,553
	Telephone	650,400	685,522	722,540
	Grants and Donations	850,000	895,900	944,279
	Insurance - General	450,000	474,300	499,912
	Industrial Council	0	0	0
	Insurance - U.I.F	0	0	0
	Insurance - W.C.F.	0	0	0
	Refreshments	210,000	221,340	233,292
	Bins - Refuse/Sewer	1,445,000	1,523,030	1,605,274
	Refuse Bags	50,000	52,700	55,546
	Laws/By-laws	0	0	0
	Water	0	0	0
	Water - Analysis	35,000	36,890	38,882
	Planning Costs	0	0	0
	Professional Fees / Consulting Services	4,200,000	4,426,800	4,665,847



VOTE	Description	Budget 2009/2010	Budget 2010/2011	Budget 2011/2012
	Pauper Burials	60,000	63,240	66,655
	Rental - Other	0	0	0
	Legal Fees - Expenditure	320,000	337,280	355,493
	Sub-Total	29,135,227	30,708,529	32,366,790
	Total Operating Expenditure	96,530,513	101,743,160	107,237,291
	SURPLUS/(DEFICIT) FOR THE YEAR	11,750,297	12,384,813	13,053,593
	Capital Expenditure			
	Furniture and Equipments	1,110,000	1,169,940	1,233,117
	Computer Hardware and Software	623,000	656,642	692,101
	Upgrading of Immovable Assets	1,550,000	1,633,700	1,721,920
	Land - Should be available	0	0	0
	Infrastructure Projects - Funding should be available	18,998,901	20,024,841	21,106,183
	Plant and Equipment	3,115,000	3,283,210	3,460,503
	Motor Vehicles	1,765,000	1,860,310	1,960,767
	Sub total	27,161,901	28,628,643	30,174,590
			0	0



4.4 BUDGET TO ACTUAL COMPARISON

Department / Office : MUNICIPAL SUMMARY

AGGREGATED INFORMATION FOR ALL MUNICIPALITIES STATEMENT OF CAPITAL AND OPERATING EXPENDITURE FOR THE 4th QUARTER ENDED 30 JUNE 2010 (Preliminary results)

Part 1: Operating Revenue and Expenditure

2009/10												
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands												
Operating Revenue and Expenditure												
Operating Revenue	172 034 344	176 096 337	46 963 621	27.3%	40 807 921	23.7%	42 248 886	24.0%	42 112 605	23.9%	172 133 232	97.7%
Property rates	29 516 789	28 324 206	9 888 328	31.8%	8 512 303	22.1%	6 043 000	21.4%	6 282 273	22.2%	28 231 768	99.7%
Service charges	76 275 931	74 870 315	19 294 686	25.3%	18 070 819	23.7%	18 211 531	24.5%	18 012 389	24.1%	73 889 307	98.4%
Other own revenue	66 241 623	72 903 816	18 280 426	27.6%	16 224 969	24.5%	17 888 489	24.5%	17 818 153	24.4%	70 212 067	96.3%
Operating Expenditure	156 525 412	166 469 816	37 041 260	23.7%	38 665 150	24.7%	38 568 413	21.5%	45 662 292	27.6%	156 937 116	94.8%
Employee related costs	43 828 937	46 328 034	11 055 017	26.9%	11 821 144	26.9%	11 268 368	24.8%	11 530 154	25.4%	46 241 274	102.0%
Bad and doubtful debt	4 941 634	6 225 112	855 081	18.7%	1 451 440	29.3%	1 264 205	20.3%	1 816 349	29.4%	5 455 035	87.8%
Bulk purchases	26 237 930	30 894 839	11 055 426	30.5%	8 884 701	24.0%	7 644 000	20.2%	10 227 705	26.3%	37 819 331	97.2%
Other expenditure	71 410 491	75 016 274	13 431 186	18.2%	16 701 805	23.4%	15 260 350	20.3%	22 088 064	29.4%	67 421 465	89.9%
Surplus/(Deficit)	15 508 932	10 626 519	9 922 360		2 142 771		6 680 472		(3 549 487)		15 196 116	
Capital transfers and other adjustments	(5 740 133)	(5 710 497)	105 009	(1.8%)	(96 174)	(1.7%)	229 018	(0.9%)	(572 000)	(1.3%)	(437 177)	(7.7%)
Revised Surplus/(Deficit)	9 768 799	4 916 022	10 027 370	102.8%	2 044 597	20.9%	6 908 491	144.0%	(4 221 513)	(85.8%)	14 758 944	300.1%

Part 2: Capital Revenue and Expenditure

		2009/10											
		Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
		Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands													
Capital Revenue and Expenditure													
Source of Finance		44 990 889	45 555 576	6 961 228	15.5%	9 484 884	21.1%	7 825 142	17.1%	14 406 562	31.6%	36 677 616	84.7%
Extraordinary income		11 901 297	10 145 234	2 322 686	17.0%	2 228 763	18.7%	1 365 740	12.9%	2 670 889	26.3%	8 226 378	81.1%
Interest contributions		5 905 095	7 253 983	1 188 009	19.3%	1 861 037	31.3%	1 521 303	20.7%	2 534 025	34.5%	7 044 698	95.8%
Transfers and subsidies		22 231 634	23 353 735	3 383 462	18.2%	4 724 240	21.2%	4 495 292	19.2%	7 707 378	33.0%	20 310 682	87.2%
Other		4 949 052	4 802 606	418 011	8.4%	889 830	13.8%	562 742	10.5%	1 494 270	31.1%	3 989 658	84.5%
Capital Expenditure		45 414 053	47 785 497	7 035 395	15.5%	9 972 567	22.0%	7 787 370	16.3%	14 829 468	31.0%	39 624 799	82.9%
Water and Sanitation		11 197 325	11 286 257	1 808 003	14.4%	2 227 001	19.9%	1 897 753	15.1%	3 347 040	29.7%	8 882 493	78.8%
Electricity		5 384 903	6 356 677	815 152	15.1%	1 153 125	21.4%	808 362	15.1%	1 828 313	34.1%	4 600 962	85.0%
Housing		3 120 957	3 108 900	507 912	16.2%	887 530	27.7%	361 800	11.3%	830 215	26.7%	2 587 543	83.2%
Roads, pavements, bridges and storm water		8 762 085	10 472 665	1 210 083	13.8%	2 136 104	24.4%	1 608 388	15.8%	3 345 259	31.9%	9 343 274	79.7%
Other		16 897 192	17 886 138	2 889 034	17.1%	3 588 704	21.2%	3 275 008	18.6%	5 484 831	31.2%	10 240 538	86.7%

Total Capital and Operating Expenditure

		2009/10											
		Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
		Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands													
Capital and Operating Revenue													
Operating Revenue		172 034 344	176 096 337	46 963 621	27.3%	40 807 921	23.7%	42 248 886	24.0%	42 112 895	23.9%	172 133 232	97.7%
Capital Revenue		44 990 889	45 555 576	6 961 228	15.5%	9 484 884	21.1%	7 825 142	17.1%	14 406 562	31.6%	36 677 616	84.7%
Total Revenue		217 025 233	221 753 913	53 924 849	24.8%	50 292 805	23.2%	50 074 028	22.8%	56 519 367	25.5%	210 811 048	95.1%
Capital and Operating Expenditure													
Operating Expenditure		166 525 412	166 469 816	37 041 260	23.7%	38 666 160	24.7%	38 568 413	21.5%	45 662 292	27.6%	166 937 116	94.8%
Capital Expenditure		45 414 063	47 786 497	7 035 395	15.5%	9 972 567	22.0%	7 787 370	16.3%	14 829 468	31.0%	39 624 799	82.9%
Total Expenditure		201 939 475	213 255 315	44 076 655	21.8%	48 637 718	24.1%	43 355 783	20.3%	60 491 760	28.4%	196 561 915	92.2%

Part 3: Cash Receipts and Payments

2009/10												
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands												
Cash Receipts and Payments												
Opening Cash Balance	15 795 861	15 795 861	15 023 829	95.1%	15 602 673	98.8%	13 127 254	63.1%	19 526 367	123.6%	15 023 829	95.1%
Cash receipts by source	174 542 900	174 542 900	51 506 596	29.5%	43 577 133	25.0%	45 870 253	26.0%	45 226 436	26.5%	190 160 418	109.0%
Statutory receipts (including VAT)	3 107 339	3 107 339	2 103 485	67.7%	2 158 130	69.8%	2 191 292	70.5%	1 745 124	56.2%	8 209 031	264.2%
Service charges	100 872 949	100 872 949	25 068 005	24.9%	24 516 902	24.3%	23 880 324	23.7%	23 714 454	23.5%	97 199 665	96.4%
Transfers (operational and capital)	46 907 923	46 907 923	16 942 303	36.1%	13 372 053	28.5%	13 745 851	29.3%	9 200 059	19.6%	53 263 301	113.3%
Other receipts	12 640 218	12 640 218	3 720 295	29.0%	2 661 990	20.9%	3 622 970	28.2%	2 947 026	23.0%	12 952 289	100.1%
Contributions recognised - cap. & contr. assets	56 137	56 137	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	9 645	9 645	-	-	-	-	-	-	-	-	-	-
Interest income	8 774 448	8 774 448	4 970 353	56.6%	773 035	8.8%	4 830 582	55.1%	5 670 361	63.5%	16 152 321	184.1%
Net increase (decr.) in assets / liabilities	1 886 042	1 886 042	(1 317 651)	(69.5%)	125 014	9.8%	691 204	31.2%	3 048 423	160.9%	2 696 790	132.3%
Cash payments by type	175 419 525	175 419 525	50 927 752	29.0%	46 052 652	26.3%	42 471 140	24.2%	50 595 482	28.8%	190 046 927	108.3%
Employee related costs	43 149 487	43 149 487	10 252 607	23.8%	11 466 789	26.6%	10 717 664	24.8%	11 373 726	26.4%	43 809 786	101.5%
Grant and subsidies	2 902 966	2 902 966	1 456 216	48.8%	1 117 642	37.5%	964 049	32.3%	852 236	28.8%	4 339 145	147.1%
Bulk Purchases - elect., water and sewerage	423 461	423 461	44 451	10.5%	21 990	5.2%	53 450	12.6%	42 123	9.9%	161 904	38.3%
Other payments to service providers	60 640 655	60 640 655	24 071 013	39.6%	19 296 081	31.7%	17 660 947	29.4%	18 664 372	30.5%	79 792 413	131.1%
Capital assets	35 104 441	35 104 441	8 164 409	22.7%	8 043 081	22.3%	6 041 903	18.4%	11 194 565	31.0%	34 063 006	94.3%
Repayment of borrowing	3 717 218	3 717 218	1 982 580	29.1%	1 714 382	47.1%	2 189 156	54.3%	3 784 061	101.8%	9 093 216	242.9%
Other cash flows / payments	26 201 697	26 201 697	5 637 456	20.7%	4 334 568	16.4%	3 843 372	13.0%	4 784 339	17.0%	18 630 384	66.7%
Closing Cash Balance	14 919 257	14 919 257	15 602 673	104.6%	13 127 254	88.0%	19 526 367	130.9%	15 167 320	101.8%	15 157 320	101.6%

Part 4a: Operating Revenue and Expenditure by Function

2009/10												
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands												
Water												
Operating Revenue	22 633 003	22 358 335	4 750 403	21.0%	6 041 263	26.7%	6 513 765	29.1%	5 990 173	31.3%	24 305 605	108.7%
Service charges	17 376 359	16 637 122	3 423 843	19.7%	4 673 031	26.9%	4 148 304	24.6%	3 836 358	22.6%	16 083 486	95.8%
Transfers and subsidies	3 015 671	3 909 002	918 419	30.5%	758 378	26.4%	1 640 909	64.5%	2 235 107	75.9%	5 629 811	107.4%
Other own revenue	2 240 972	2 811 661	418 140	18.7%	572 007	25.5%	723 462	28.8%	888 699	34.6%	2 882 308	102.8%
Operating Expenditure	23 427 082	21 740 463	4 323 465	18.5%	5 400 322	23.1%	5 614 828	25.8%	5 456 747	29.7%	21 795 361	100.3%
Employee related costs	3 436 020	3 394 072	791 461	23.0%	904 703	26.9%	1 033 162	30.4%	1 171 581	34.5%	3 821 068	115.5%
Bad and doubtful debt	1 221 446	1 298 300	257 789	21.1%	275 461	22.6%	346 905	26.8%	510 903	40.3%	1 384 095	109.0%
Bulk purchases	9 862 930	7 878 631	1 525 761	16.5%	2 351 367	29.8%	1 862 900	23.6%	2 960 577	26.2%	7 600 614	96.8%
Other expenditure	8 916 687	9 197 020	1 348 462	18.5%	3 148 711	24.1%	2 378 852	25.6%	2 713 529	28.5%	8 885 004	96.7%
Surplus/(Deficit)	(794 080)	617 872	436 938		640 942		898 938		533 426		2 510 243	

Part 4b: Operating Revenue and Expenditure by Function

		2009/10											
		Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
		Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands													
Electricity													
Operating Revenue		51 057 722	51 147 523	13 394 745	26.2%	12 002 986	23.5%	12 523 367	24.5%	12 663 231	24.8%	50 584 329	98.9%
Service charges		47 932 505	47 705 730	12 593 725	26.3%	11 278 877	23.5%	11 599 205	24.5%	11 779 449	24.7%	47 361 256	99.3%
Transfers and subsidies		1 037 362	1 340 793	246 649	24.0%	172 149	16.6%	337 906	25.2%	205 517	15.3%	964 300	71.9%
Other own revenue		2 097 855	2 101 002	642 372	25.9%	551 960	26.3%	486 176	23.1%	678 265	32.3%	2 258 773	107.5%
Operating Expenditure		37 631 041	44 040 764	11 821 017	31.4%	9 556 579	25.4%	9 341 942	21.2%	11 691 477	26.5%	42 411 016	96.3%
Employee related costs		3 500 583	3 378 532	756 316	22.7%	880 409	26.1%	841 203	23.5%	836 125	23.1%	3 343 730	93.5%
Bad and doubtful debt		1 030 091	1 171 655	255 008	24.1%	337 373	32.5%	237 434	20.3%	335 161	24.3%	1 110 206	94.8%
Bulk purchases		25 561 543	30 919 307	6 779 034	36.1%	6 592 243	25.3%	5 677 807	19.4%	7 986 461	26.3%	29 652 345	97.0%
Other expenditure		7 492 045	8 974 118	1 404 640	20.2%	1 839 474	24.7%	2 305 493	26.6%	2 504 130	28.9%	8 304 542	92.8%
Surplus/(Deficit)		13 436 680	7 106 759	1 573 728		2 446 407		3 181 425		971 753		8 173 313	

Part 4c: Operating Revenue and Expenditure by Function

2009/10												
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands												
Waste Water Management												
Operating Revenue	7 339 975	7 561 050	2 263 024	30.8%	1 194 747	16.3%	1 657 159	21.9%	1 633 142	21.6%	6 745 071	89.2%
Service charges	5 952 252	4 818 550	1 757 297	36.0%	712 809	14.1%	1 118 670	23.2%	1 051 129	21.8%	4 649 903	96.5%
Transfers and subsidies	1 413 693	1 757 859	320 427	23.2%	251 416	17.6%	323 543	18.4%	333 860	19.0%	1 237 246	70.4%
Other own revenue	874 220	984 640	185 300	19.1%	230 522	26.4%	214 946	21.8%	248 153	25.2%	860 922	87.4%
Operating Expenditure	6 700 869	6 568 021	1 109 555	16.6%	1 416 318	21.1%	1 522 050	23.2%	1 358 696	28.3%	5 906 619	89.9%
Employee related costs	1 525 169	1 620 048	364 100	23.9%	419 554	27.5%	404 419	24.8%	300 523	24.5%	1 586 595	97.5%
Bad and doubtful debt	412 284	427 021	41 729	10.1%	52 183	12.7%	53 782	12.6%	95 480	22.4%	243 158	56.9%
Bulk purchases	116 054	34 730	19 860	16.9%	25 531	22.0%	10 469	30.2%	12 091	34.8%	57 772	195.1%
Other expenditure	4 647 342	4 478 222	684 068	14.7%	919 045	19.8%	1 053 379	23.5%	1 362 803	30.2%	4 069 295	89.5%
Surplus/(Deficit)	639 106	993 029	1 153 468		(221 571)		135 109		(225 736)		841 252	

Part 4d: Operating Revenue and Expenditure by Function

2009/10												
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
R thousands												
Waste Management												
Operating Revenue	5 235 226	5 160 959	1 566 875	29.9%	1 353 872	25.9%	1 531 893	29.7%	1 346 279	26.1%	5 795 919	112.4%
Service charges	4 027 707	3 580 000	962 213	23.5%	903 550	22.1%	891 234	24.8%	870 830	24.3%	3 627 903	101.1%
Transfers and subsidies	777 899	883 060	477 173	61.3%	306 870	39.4%	429 330	60.3%	303 436	35.6%	1 516 810	177.7%
Other own revenue	359 620	771 708	127 489	34.5%	143 444	36.8%	211 328	29.4%	171 945	23.9%	554 206	91.0%
Operating Expenditure	7 166 838	7 334 539	1 410 079	19.6%	1 700 440	23.7%	1 732 744	23.6%	1 877 179	25.6%	6 720 442	91.6%
Employee related costs	2 416 483	2 490 082	552 012	22.8%	692 005	28.7%	640 819	25.6%	634 202	25.4%	2 519 919	100.8%
Bad and doubtful debt	332 102	300 027	36 436	11.8%	58 721	17.7%	37 076	10.9%	44 044	13.0%	176 275	52.4%
Bulk purchases	120 206	116 097	10 493	8.7%	11 002	9.6%	10 810	9.3%	10 905	9.4%	43 644	37.8%
Other expenditure	4 320 042	4 378 423	809 144	18.7%	937 222	21.7%	1 044 040	23.8%	1 187 937	27.1%	3 978 402	90.9%
Surplus/(Deficit)	(1 933 612)	(2 173 580)	156 797		(346 567)		(200 852)		(530 900)		(921 523)	

Part 5: Debtor Age Analysis

R thousands	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total		Bad Debt Written Off	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtor Age Analysis By Income Source												
Water	1 545 878	9.9%	650 006	4.4%	539 211	3.5%	12 827 552	82.2%	15 604 446	27.8%	95 567	6%
Electricity	2 872 480	36.3%	702 504	8.9%	353 415	4.5%	3 940 124	50.4%	7 918 524	14.1%	22 506	3%
Property Rates	1 626 486	13.6%	539 374	4.5%	368 030	3.2%	9 411 976	78.7%	11 956 394	21.3%	110 810	9%
Sanitation	406 324	10.3%	161 455	4.1%	120 304	3.1%	3 260 684	82.5%	3 938 737	7.0%	67 904	1.5%
Refuse Removal	294 787	8.2%	116 941	3.3%	90 616	2.6%	3 075 205	85.6%	3 505 950	6.4%	56 373	1.6%
Other	764 670	5.9%	407 495	3.1%	283 947	2.3%	11 572 498	88.8%	13 038 610	23.3%	479 731	3.7%
Total By Income Source	7 511 624	13.4%	2 618 965	4.7%	1 793 672	3.2%	44 127 921	78.7%	56 052 201	100.0%	822 973	1.6%
Debtor Age Analysis By Customer Group												
Government	426 945	14.8%	152 949	5.3%	95 095	3.3%	2 217 555	76.7%	2 692 544	5.2%	42 623	1.5%
Business	2 212 479	33.7%	417 062	6.3%	260 045	4.0%	3 680 336	56.0%	6 672 924	11.7%	36 454	0%
Households	3 400 800	10.8%	1 462 647	4.6%	300 336	3.1%	25 701 701	81.5%	31 545 434	56.3%	734 304	2.3%
Other	1 471 400	9.8%	586 427	3.9%	455 144	3.0%	12 525 328	83.3%	15 041 299	26.8%	165 328	1.1%
Total By Customer Group	7 511 624	13.4%	2 618 965	4.7%	1 793 672	3.2%	44 127 921	78.7%	56 052 201	100.0%	980 745	1.7%

Part 5: Debtor Age Analysis

R thousands	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total		Bad Debt Written Off	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtor Age Analysis By Income Source												
Water	1 545 878	9.9%	590 006	4.4%	539 211	3.5%	12 827 562	82.2%	15 004 446	27.8%	95 567	0%
Electricity	2 872 460	36.3%	702 804	8.9%	353 415	4.5%	3 530 124	50.4%	7 918 924	14.1%	22 506	3%
Property Rates	1 626 465	13.6%	539 374	4.5%	388 000	3.2%	9 411 976	78.7%	11 956 934	21.3%	110 810	9%
Sanitation	405 324	10.3%	161 456	4.1%	129 308	3.1%	3 250 564	82.5%	3 930 787	7.0%	57 954	1.5%
Refuse Removal	294 787	8.2%	118 941	3.3%	88 019	2.6%	3 075 275	85.3%	3 585 169	6.4%	56 373	1.6%
Other	754 670	5.9%	467 495	3.1%	241 987	2.3%	11 572 498	89.8%	13 038 610	23.3%	479 731	3.7%
Total By Income Source	7 511 624	13.4%	2 618 985	4.7%	1 793 672	3.2%	44 127 921	78.7%	56 052 201	100.0%	822 973	1.5%
Debtor Age Analysis By Customer Group												
Government	426 945	14.8%	152 949	5.3%	95 095	3.3%	2 217 556	76.7%	2 892 544	5.2%	42 823	1.5%
Business	2 212 479	33.7%	417 062	5.3%	260 045	4.0%	3 663 336	56.0%	6 572 924	11.7%	30 454	0%
Households	3 490 800	10.8%	1 462 547	4.6%	900 336	3.1%	25 701 701	81.5%	31 545 434	56.3%	734 334	2.3%
Other	1 471 400	9.8%	586 427	3.9%	458 144	3.0%	12 525 328	83.3%	15 041 299	26.8%	165 528	1.1%
Total By Customer Group	7 511 624	13.4%	2 618 985	4.7%	1 793 672	3.2%	44 127 921	78.7%	56 052 201	100.0%	980 745	1.7%

Part 6: Creditor Age Analysis

R thousands	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	1 158 652	92.7%	18 612	1.5%	23 931	1.9%	48 640	3.9%	1 247 753	10.7%
Bulk Water	557 352	54.9%	39 564	3.8%	44 668	4.3%	882 248	37.0%	1 524 032	8.9%
PAYC deductions	169 641	95.1%	1 870	1.0%	1 747	1.0%	5 215	2.9%	178 472	1.5%
VAT (output less input)	(54 266)	111.1%	(2 257)	4.6%	(1 185)	2.4%	8 891	(18.2%)	(48 813)	(4.4%)
Pensions / Retirement	226 056	91.5%	2 039	8%	1 538	6%	17 554	7.1%	247 187	2.1%
Loan repayments	368 832	96.7%	1 159	3%	1 284	3%	9 953	2.6%	381 247	3.3%
Trade Creditors	5 182 806	94.9%	115 360	2.1%	57 439	1.1%	105 159	1.9%	5 460 755	46.9%
Auditor-General	8 112	26.6%	2 059	6.8%	1 924	6.3%	18 361	60.3%	30 457	3%
Other	2 923 969	94.1%	54 266	1.7%	14 301	5%	113 659	3.7%	3 106 215	26.7%
Total	10 549 084	90.6%	232 762	2.0%	145 647	1.3%	709 698	6.1%	11 637 191	100.0%

Contact Details

Municipal Manager	
Financial Manager	

Source: Local Government Database

1 All figures in this report are unaudited. Revenue reflected is billed revenue.

Municipal Manager

Chief Financial Officer

Date:

Date:

4.5 INTERGOVERNMENTAL GRANTS 2009/2010

MONTH	MIG	MSIG	MFMG	EQUITABLE SHARE
July				20 371 918.00
August	3 213 000.00			
September		735 000.00	750 000.00	
October				
November	6 805 000.00			
December	1 337 000.00			16 297 450.00
January				
February	6 111 000.00			1 050 366.00
March	2 617 000.00			
April				12 223 151.00
May	3 272 807.02			
June				
TOTAL	23 355 807.02	735 000.00	750 000.00	49 942 885.00
				74 783 692.02

Legend:

MIG: Municipal Infrastructure Grant

MSIG: Municipal System Improvement Grant

MFMG: Local Government Improvement Grant



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Procedure

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Financial Services

Finance Manual - Interi

RECORDS MANAGEMENT



CHAPTER 5

5. FUNCTIONAL AREA SERVICE DELIVERY REPORTING

5.1 PERFORMANCE BY DEPARTMENTS

Function: Community and Social Services			
Sub Function: All Inclusive			
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	The function of provision of various community and social services within the municipality is administered as follows and includes: <i>Provide community services to all residents</i> These services extend to include Reitz/Petsana, PetrusSteyn/Mamafubedu, Lindley/Ntha and Arlington/Leratswana. The municipality has a mandate to: <i>Provide services to the people</i> The strategic objectives of this function are to: <i>Maintenance and upgrading of facilities</i> <i>Provided to communities</i> The key issues for 2009/10 are: <i>Provision of a safe and healthy living environment</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Nature and extent of facilities provided:	no of facilities:	no of users:
	- Library services	7	4000
	- Museums and galleries	None	0
	- Other community halls/facilities	7	2816
	- Cemeteries and crematoriums	9	1792
	- Sporting facilities: Stadiums 7(3 Operating) Swimming Pool 4 (1 Operating)	4	20000
	- Parks	259	7
2	Number and cost to employer of all personnel associated with each community services function:		R(000s)
	- Library services	11	1353
	- Other community halls/facilities	26	4932
	- Cemeteries and crematoriums	27	5076
	- Sporting facilities	32	6192
	- Parks (811822	33	6468
6	Total operating cost of community and social services function		20089



Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	The function of provision of housing within the municipality is administered as follows and includes: <i>Provision of sites</i> <i>Maintain a living waiting list of potential beneficiaries'</i> <i>Complete applications for housing subsidies and submit to Provincial Department</i> These services extend to include Reitz/Petsana, Petrus Steyn/Mamfubedu, Lindley/Ntha and Arlington/Leratswana. The municipality has a mandate to: <i>Provide adequate houses to our community by making land available for the implementation of this function.</i> The strategic objectives of this function are to: <i>Provide legalized sites to prospective beneficiaries</i> The key issues for 2008/10 are: <i>Obtain land for development of residential areas</i> <i>Survey and pegging of sites</i> <i>Apply for Township Establishment</i> <i>Maintain a living waiting list of potential beneficiaries</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost of all personnel associated with provision of municipal housing: - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.		R (000s)
		3	3951
		1	110
		5	295
		0	0
		0	0
		1	48
2	Number and total value of housing projects planned and current: - Current (financial year after year reported on) - Planned (future years)	1200	600000
		600	38400
3	Total type, number and value of housing provided: <i>The municipality is only mandated to provide sites</i> Note: total number and total value of housing provided during financial year	1200	600000
4	Total number and value of rent received from municipal owned rental units <i><list details, including number of units handed over to residents></i>	4	63
5	Estimated backlog in number of (and costs to build) housing: <i>Waiting list + 3000 residents in informal settlements</i>	10648	681472
6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats duplex - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet	9448	
		983	
		100	
		61	
		1350	
		2500	
Reporting Level	Detail	Total	
7	Type and number of grants and subsidies received:		R (000s)
		0	0
	Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun 2009, Jul to Sep 2009, Oct to Dec 2009, Jan to Mar 2010, Apr to Jun 2010.		
8	Total operating cost of housing function		R 834



Function:	Public Safety
Sub Function:	Police (Traffic)

Reporting Level	Detail	Total	
Overview:	Includes traffic (and parking) control and fire disaster		
Description of the Activity:	The traffic and fire control functions of the municipality are administered as follows and include: <i>Traffic management and fire services</i> These services extend to include <i>Reitz/Petasana</i>, Petrus Steyn/Mamafubedu, Lindley/Ntha and Arlington/Leratswana. The municipality has a mandate to: <i>Ensure safe roads by regulating and control traffic.</i> The strategic objectives of this function are to: <i>Reduce traffic and fire mortalities</i> <i>Community involvement by educational programmes</i> The key issues for 2009/10 are: <i>Traffic management</i> <i>Maintenance of road signs and markings on streets</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):> 1 Number and cost to employer of all personnel associated with policing and traffic control: - Professional (Senior Management) - Field (Detectives/Supervisors) - Office (Clerical/Administration) - Non-professional (visible police officers on the street) - Volunteer - Temporary - Contract 2 Total number of call-outs attended: - Emergency call-outs - Standard call-outs 3 Average response time to call-outs: - Emergency call-outs - Standard call-outs Note: provide average by dividing total response time by number of call-outs 4 Total number of targeted violations eg: traffic offences: <list details, including the number and type of offences recorded> 5 Total number and type of emergencies leading to a loss of life or disaster: <list details, including the number and type of emergencies recorded> 6 Type and number of grants and subsidies received: <i>None</i> Note: total value of specific public safety grants actually received during year to be recorded over the five quarters - Apr to Jun 2009, Jul to Sep 2009, Oct to Dec 2009, Jan to Mar 2010, Apr to Jun 2010. 7 Total operating cost of police and traffic function	<i>R (000s)</i> 1 2 5 0 0 0 0 0 188 90 30 min 78 13 0 1012	134 193 355 0 0 0 0 0 0 0 0 0 0



Function:	Waste Management
Sub Function:	Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	The refuse collection functions of the municipality are administered as follows and include: <i>Household collection</i> <i>Business collection</i> <i>Community facilities collection</i> The strategic objectives of this function are to: <i>Provision of equitable collection of waste.</i> <i>Minimization of waste through recycling initiatives</i> The key issues for 2009/10 are: <i>Revival of recycling project in Petsana and linking of other towns to the project,</i> <i>Equitable waste collection, Entering in Cleanest Town Competition,</i> <i>Education and awareness</i> <i>The Establishment of Environmental Forums.</i> <i>Provision/Management of Landfill sites</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with refuse removal: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		R (000s)
		1	155
		3	168
		0	0
		34	1483
		0	0
		0	0
2	Number of households receiving regular refuse removal services, and frequency and cost of service: - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal - Illegal dumping sites Note: if other intervals of services are available, please provide details	11795	3478
		144	
		0	0
		0	
		4	
3	Total and projected tonnage of all refuse disposed: - Domestic/Commercial - Garden Note: provide total tonnage for current and future years activity	11720	3065
		0	0
4	Total number, capacity and life expectancy of refuse disposal sites: - Domestic/Commercial (number)	4	3 years
Reporting Level	Detail	Total	
5	Anticipated expansion of refuse removal service: - Domestic/Commercial	600	220
6	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	3385	
		261731	
7	Total operating cost of solid waste management function		220



Reporting Level	Detail	Total
Overview:	Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems. Note: Read in conjunction with Chapter 3 on <i>Human Resource Management</i> .	
Description of the Activity:	The function of human resource management within the municipality is administered as follows and includes: <i>Human Resource Policies</i> <i>Benefits Administration</i> <i>Labour Relations</i> <i>Employment Equity</i> <i>Health and Safety of Employees</i> <i>Capacity Building</i> <i>Grievance Procedures</i> <i>Disciplinary Procedures</i> <i>The investigation of allegations of misconduct and complaints against staff</i> <i>The promotion and demotion of staff</i> <i>The dismissal and retrenchment of staff</i> <i>Recruitment, Selection and appointment of persons as staff members</i> <i>Induction</i> <i>Job Descriptions</i> <i>Leave</i> <i>Implementing all council resolutions that relate to Human Resource</i> <i>Transfer of employees</i> These services extend to include <i>Reitz/Petsana, Petrus Steyn/ Mamafubedu, Lindley/Ntha, Arlington/Leratswana</i>. The municipality has a mandate to: <i>Assist the bereaved by completing all the claims forms</i> <i>Submit documentation to the Pension Fund</i> <i>Develop Workplace Skill Plan</i> <i>Submit the Plan to LGSETA</i> <i>Monitor, measure and evaluate the performance of staff</i> The strategic objectives of this function are to: <i>To implement the Skills Development Plan</i> <i>To implement Learnerships in partnership with LGSETA</i> <i>To provide a safe working environment for the employees</i> <i>To submit Employment Equity Report</i> <i>To present relevant issues and information to municipal employees on matters that affects them</i> <i>Regulating personnel leaves</i> The key issues for 2009/10 are: <i>Skills Audit</i> <i>To implement Workplace Skill Plan</i> <i>Convene Training Committee</i> <i>Convene Local Labour Forum</i> <i>Convening of Health and Safety Committee</i> <i>To fill vacant positions</i> <i>Review contracts</i> <i>Development and review of Policies</i> <i>Managing of employee leaves</i> <i>Employment Equity Plan</i>	

1	Number and cost to employer of all municipal staff employed:	<i>Number</i>	<i>Cost</i>
	- Professional (Managerial/Specialist)	8	2819
	- Field (Supervisory/Foremen)	6	1409
	- Office (Clerical/Administrative)	73	
	- Non-professional (blue collar, outside workforce)	131	12983
	- Temporary Staff	272	3186
	- Contract Staff	7	748
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package	225	28 195262

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current
<i>Key Performance Areas:</i>		
1. Capacity building	Various Trainings were organized by the employer for the employees to attend and to be capacitated.	226
2. Employment Equity	Councilors were trained on various aspects that affect local government.	8 Councilors
3. Good Human Labour Relations	Employment Equity Plan in process of completion to be submitted in time	
4. Workplace Skill Plan	Employment of personnel is done in such way that the previously disadvantaged group receive preference	
5. Filling of vacant post	The Local Labour Forum is fully functional and the new Training Committee has been re-established.	
6. Organisational Structure and Development	Various training interventions for Workplace Skill Plan 2008/2009 were implemented to capacitate employees on issues such as financial viability, infrastructure and service delivery and Management and leadership.	
	A number of vacant posts was filled.	25
	Re-establishment of the Occupational Health and Safety Committee	
	Number of injuries	17
	Fatalities	0



Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	The sewerage functions of the municipality are administered as follows and include: <i>Sewer Services</i> These services extend to include <i>Reitz/Petsana, Petrus Steyn, Lindley/Ntha and Arlington/Lerastwana</i>. The municipality has a mandate to: <i>Sewer services</i> The strategic objectives of this function are to: <i>Provision of decent sanitation for all.</i> The key issues for 2009/10 are: <i>Bucket eradication</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):> 1 Number and cost to employer of all personnel associated with sewerage functions: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract 2 Number of households with sewerage services, and type and cost of service: - Flush toilet (connected to sewerage system) - Flush toilet (with septic tank) - Chemical toilet - Pit latrine with ventilation - Pit latrine without ventilation - Bucket latrine - No toilet provision Note: if other types of services are available, please provide details 3 Anticipated expansion of sewerage: - Flush/chemical toilet 4 Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)		R (000s) 1863 842 127 1315 0 0 R (000s) 2145 317 0 154 0 838 0 R (000s) 3 456
Reporting Level	Detail	Total	Cost
5	Total operating cost of sewerage function		R 3453



Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	The road maintenance and construction responsibilities of the municipality are administered as follows and include: <i>Roads and Storm water</i> These services extend to include <i>Reitz/Petsana, Petrus Steyn/Mamafubedu, Lindley/Ntha and Arlington/Leratswana</i>. The municipality has a mandate to: <i>Provide safe and accessible roads to the community</i> The strategic objectives of this function are to: <i>Provision of better road facilities</i> The key issues for 2009/10 are: <i>Upgrading of Roads</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with road maintenance and construction: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		R (000s)
		0	0
		2	284
		0	0
		13	287
		26	128
		0	0
2	Total number, kilometers and total value of road projects planned and current: - New paved surface (number) - Existing re-tarred (number) - New gravel (number) - Maintained gravel road - Existing re-sheeted (number) Note: if other types of road projects, please provide details		R (000s)
		6 kms	14872
		0	0
		0	0
		0	0
3	Total kilometres and maintenance cost associated with existing roads provided - Tar - Gravel Note: if other types of road provided, please provide details		R (000s)
		36	863
		263	1047
4	Average frequency and cost of re-tarring, re-sheeting roads - Tar - Gravel Note: based on maintenance records		R (000s)
		2	2800
5	Estimated backlog in number of roads, showing kilometres and capital cost - Tar - Gravel		R (000s)
		263	657
Reporting Level	Detail	Total	Cost
	Note: total number should appear in IDP, and cost in future budgeted road construction programme		
6	Type and number of grants and subsidies received: <i>None</i> Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun 2009, Jul to Sep 2009, Oct to Dec 2009, Jan to Mar 2010, Apr to Jun 2010.		R (000s)
		0	0
7	Total operating cost of road construction and maintenance function		R 7026



Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	The water purchase and distribution functions of the municipality are administered as follows and include: <i>Water Services</i> These services extend to include <i>Reitz/Petsana, Petrus Steyn, Lindley/Ntha</i> and <i>Arlington/Nketoana</i>. The municipality has a mandate to: <i>Provision of clean water</i> The strategic objectives of this function are to: <i>Provide water in terms of the RDP standard</i> The key issues for 2009/10 are: <i>Water provision</i>		
	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with the water distribution function: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.	0 2 0 48 34 0	R (000s) 0 217 0 1876 218 0
2	Percentage of total water usage per month <i>Not available</i> Note: this will therefore highlight percentage of total water stock used per month	0	0
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer <i>- Category 1 All consumers</i>	7324779	R (000s) 1622
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer: <i>- Category 1 All consumers</i>	5634445	R (000s) 22538
5	Total year-to-date water losses in kilolitres and rand <i>All consumers</i>	1690334	R (000s) 6761



Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: if other types of services are available, please provide details		R (000s)
		7450	719
		5627	543
		2659	256
		0	0
		935	90
7	Number and cost of new connections: New connections	69	59
8	Number and cost of disconnections and reconnections: <detail total>	0	0
9	Number and total value of water projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	0 74	0 108
10	Anticipated expansion of water service: - Piped water inside dwelling	67	54
11	Estimated backlog in number (and cost to provide) water connection: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling	280 2000	308
12	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	3385 14400	
13	Type and number of grants and subsidies received: None Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun 2009, Jul to Sep 2009, Oct to Dec 2009, Jan to Mar 2010, Apr to Jun 2010.	0	0
14	Total operating cost of water distribution function		3583



Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	The electricity purchase and distribution functions of the municipality are administered as follows and include: <i>Electrical services</i> These services extend to include Reitz/Petsana, Petrus Steyn, Lindley/Ntha and Arlington/Lerastwana. The municipality has a mandate to: <i>Provision of electricity</i> The strategic objectives of this function are to: <i>Provide electricity for all</i> The key issues for 2009/10 are: <i>Upgrade electricity supply in Ntha.</i> <i>Provide uninterrupted supply of electricity</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):> 1 Number and cost to employer of all personnel associated with the electricity distribution function: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. 2 Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer - Residential - Commercial 3 Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer: - Household - Commercial 4 Total year-to-date electricity losses in kilowatt hours and rand <detail total> 5 Number of households with electricity access, and type and cost of service:		R (000s) 0 3 0 15 0 0 0 0 0 32364000kwh 94020kva 10783 3142 Not available 10788 R (000s) R (000s) R (000s) R (000s) R (000s)



Reporting Level	Detail	Total	Cost
	- Electrified areas		
	- Municipal	4	10788
	- Eskom	4	
	Note: if other types of services are available, please provide details		
6	Number and cost of new connections:		R (000s)
	Household	38	87
7	Number and cost of disconnections and reconnections		R (000s)
	Household	1348	219
8	Number and total value of electrification projects planned and current:		R (000s)
	- Current (financial year after year reported on)	0	0
	- Planned (future years)	0	0
	Note: provide total project and project value as per initial or revised budget		
9	Anticipated expansion of electricity service:		R (000s)
	Mabena	0	0
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		10788
10	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	<detail total>	0	0
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
11	Free Basic Service Provision:		
	- Quantity (number of households affected)	6914	
	- Quantum (value to each household)	5047	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
12	Type and number of grants and subsidies received:		R (000s)
	None	0	0
	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun 2009, Jul to Sep 2009, Oct to Dec 2009, Jan to Mar 2010, Apr to Jun 2010.		
13	Total operating cost of electricity distribution function		12953



Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of street lighting to the community		
Description of the Activity:	Street lighting responsibilities of the municipality are administered as follows and include: <i><List administration of each function here: this should detail what is offered, and how it is offered to the community></i> These services extend to include <i><function/area></i>, but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to: <i>Provide sufficient streetlight in the communities</i> The strategic objectives of this function are to: <i>Provide streetlights to enhance the safety of the communities</i> The key issues for 2008/09 are: <i>Maintain existing streetlight networks</i> <i>Increase number of streetlights where necessary</i>		
Analysis of the Function:	<i><Provide statistical information on (as a minimum):></i>		
1	Number and total operating cost of streetlights servicing population:	1 937	R (000s) <cost>
	Note: total streetlights should be available from municipal inventory		
2	Total bulk kilowatt hours consumed for streetlighting:		
	<i>Information not available</i>		
	Note: total number of kilowatt hours consumed by all street lighting for year		



Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .		
Description of the Activity:	The function of finance within the municipality is administered as follows and includes: <i>Financial Management</i> <i>Billing for services rendered</i> <i>Debt collection</i> These services extend to include Reitz/Petsana, Petrus Steyn/Mamafubedu, Lindley/Ntha, Arlington/Leraswana. The municipality has a mandate to: <i>Provide services to the community</i> The strategic objectives of this function are to: <i>Ensure financial viability of the municipality</i> The key issues for 2009/10 are: <i>Debt collection</i> <i>GRAP/GAMAP Conversion</i> <i>Compile Asset Register</i> <i>Compliance with MFMA and all other relevant legislation</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Debtor billings: number and value of monthly billings:		R (000s)
	July	13268	7640
	August	13536	5663
	September	14944	5373
	October	15590	5328
	November	14094	5438
	December	15512	5085
	January	14923	4757
	February	14925	4944
	March	15214	4622
	April	14658	4612
	May	15102	5730
	June	15428	4642
2	Debtor collections: value of amount received and interest:	R (000s)	R (000s)
	July	4229	
	August	4773	
	September	4535	
	October	3770	
	November	7063	
	December	3066	
	January	6131	
	February	11817	
	March	3550	
	April	3365	
	May	4443	
	June	4761	
3	Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:	R (000s)	
	Water	17 482.00	
	Electricity	4 295.00	
	Rates	11 347.00	
	Sewerage	29 394.00	
	Refuse	39271.00	
	Other	1 178.00	
		129 505.00	
4	Write off of debts: number and value of debts written off:		R (000s)
	- Total debts written off each month across debtors by function (eg: water, electricity etc)	38012	5678
	Note: create a suitable table to reflect write offs each month across debtors by function		
5	Property rates (All):		R (000s)
	- Number and value of properties rated	25363	952792
	- Number and value of properties not rated		
	- Number and value of rate exemptions		
	- Rates collectible for the current year		



Reporting Level	Detail	Total	
6	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)	4320 28968435	
7	Creditor Payments:	R (000s)	
		838117	Current
		244 309	30 Days
		113 507	60 Days
		5892	90 Days
		162847	120 Days
		1 396	150 days
		0	180 Days
		3445	>180 Days
	Total	1 369 515	
	Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days		
8	Credit Rating:	R (000s)	
	None		
	List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated		
12	External Loans:	R (000s)	R (000s)
	- Total loans received and paid during the year	1	453
	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.		
13	Delayed and Default Payments:		
	None	0	<date>
	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature		
	Note: This information need not be reported here if reported as notes to the accounts.		



Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	The function of procurement within the municipality is administered as follows and includes: <i>Supply Chain Management Unit</i> These services extend to include Reitz/Petsana, Petrus Steyn/Mamafubedu, Lindley/Niha, Arlington/Leratswana. The municipality has a mandate to: <i>Adhere to Supply Chain Management Policy and Legislation</i> The strategic objectives of this function are to: <i>Implementation of the Supply Chain Management</i> The key issues for 2009/10 are: <i>Increase procurement from SMME/BEE</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):> 1 Details of tender / procurement activities: - Total number of times that tender committee met during year - Total number of tenders considered - Total number of tenders approved - Average time taken from tender advertisement to award of tender Note: Figures should be aggregated over year across all municipal functions 2 Details of tender committee: <i>Adjudication : J Mofube</i> <i>M Manzi</i> <i>M Mahamotsa</i> <i>F Mzizi</i> <i>Evaluation: V Mkhafa</i> <i>M Labuschagne</i> <i>J Mokwena</i> <i>K Mhabane</i> <i>Specification: L.Ntsoedikane</i> <i>S.Venter</i> <i>A Labuschagne</i> <i>T. Makhanya</i> Note: List details of each member of the tender committee	4 15 7 3 months	



5.2 PERFORMANCE REPORT PER KEY PERFORMANCE AREA

KEY PERFORMANCE AREA 1										
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
Functional Area or Development Priority	Strategic Objective	Key Performance Indicators	Type of Indicator	Performance Criteria or Performance Standards (The performance standards specified for each KPI must be indicator weightings that relate to the rating scale of 1-5 in the last column)	Previous year targets and performance (Rating)	Current year targets (Rating)	Actual performance against set targets for current year	Measures to improve performance in following year	Rating on a scale of 1-5	
Functional municipal governance structures							EXCO Meetings 5 Council Meetings 4 Special Council Meetings 8 Section 79 Committee meetings 17			
Administration and councilor competency frameworks		1. % of Section 57 Managers whose competency was assessed within the municipality	Output	This indicator measures the number of Section 57 Managers that have undergone competency assessments. Competency assessment involves the measurement of an individual's competencies. Measures include cognitive ability tests, bio-data instruments, structured interviews, job knowledge tests, diagnostic and promotion tests, and measures of customer service and social skills		5	None	Still in process. No Sec 57 that have undergone competency assessment. The function will be performed by the Internal Audit in conjunction with the AG. To be done in the new financial year.	1	
		2. % of Section 57 Managers who meet the requirements detailed in the competency assessed framework	Outcome	The Section 57 Managers would have participated in the assessment and an indication would be provided in terms of the extent to which they meet the requirements as detailed in the Competency Assessment Framework.		none	none	Still in process. To be done in the new financial year, 2009/2010	1	
		3. Number and % of municipal employees occupying technical and managerial positions with a professional qualification	Outcome	(4) Municipal employees occupying Technical and Managerial positions without a professional qualification (or equivalent experience) that complies with the norms and standards established by a professional body. (1) Municipal employees occupying Technical and Managerial positions registered with a professional body, and with a professional qualification (or equivalent experience) that complies with the norms and standards established by a professional body.		none	none	Still in process. Aim to improve in the new financial year.	1	
Implementation of the Organisational Structure in compliance with EE Act				Number of Municipal Managers and Section 57 Managers appointed as per the EE targets	Output	None	0%			
Implementation of the Performance Regulations of 2006										
Human Resources Strategy incorporating all core administrative policies and procedures	- Ensure the implementation of the municipality's Employment Equity Plan - Rationalization of bylaws. Review, revise and develop policies. Contract Management			- Develop a Department EE Plan for approval by Municipal Manager. Implement EE Plan to achieve the set targets.		1	1		1	
						10	10		1	
Human Resources Management	- To ensure compliance with and implementation of human resources policies			- All Human Resources policies and procedures as agreed and accepted by Council to be implemented and available to staff. Proof of such policies to be submitted. - All Human Resources matters to be documented. Where grievances or complaints are received, such matters should be adequately resolved. Proof thereof to be submitted. - Vacancies filled in line with Council resolutions and proof thereof to be available.		5	5			
Skills Development (both councilors and employees)	- To ensure the effective training has been imparted to all staff members. To provide training and development. Develop and implement a Skills Plan/Policy according to legal requirements for the Department.			- Skill needs assessment undertaken. Number of staff trained in terms of approved Skills Development Plan 50% of the need identified should be trained each year. Training must be imparted and a post evaluation process in line with the work environment must be done to measure the level of capacity from individual employee.		100	75	Aim to reach the Annual target before the end of financial year.	3	



KEY PERFORMANCE AREA 2
SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Functional Area or Development Initiative	Strategic Objectives	Key Performance Indicators	Type of Indicator	Performance Criteria or Performance Standards (The performance standards assumed for each KPI must be allocated weightings that relate to the rating scale of 1-5 in the last column)	Previous year targets and performance (Baseline)	Current year targets	Actual performance against all targets for current year	Measures to improve performance in following year	Rating on a scale of 1-5
Adopted and implementation of a 5-Year Integrated Infrastructure Investment Plan									
Rural Development Strategy									
Water Services	To supply clean & sufficient water to every household	Rate of reduction in the number of households in the serviced area without a basic supply service in terms of water	Impact	This indicator measures the backlog in terms of water	200	130	50%	100%	4
Sanitation Services	To provide sanitation to every household to ensure a clean and healthy environment	Rate of reduction in the number of households in the serviced area without a basic supply service in terms of sanitation	Impact	This indicator measures the backlog in terms of sanitation	3000 buckets 750 waterborne	3750	23%	100%	2
Energy and Electricity	To supply electricity to every household. Free basic electricity	Rate of reduction in the number of households in the serviced area without a basic supply service in terms of electricity	Impact To improve living standard	This indicator measures the backlog in terms of electricity	100%	100%	100%	Increase personnel and equipment	5
Sustainable Human Settlements (Implementation of Breaking New Ground Strategy)		Number/Percentage of households in formal housing that conforms to the minimum building standards for residential houses	Outcome	This indicator measures the number of formal housing structures built according to minimum building standards. Formal dwellings are houses with a solid, usually concrete, top structure that are served with basic infrastructure. Minimum standards as defined by the National Building Regulations and Building Standards Act (Act 103 of 1977).	1200	1170 97%		Contractors not performed and completed allocated houses, loose the work and it is allocated to a new contractor. The beneficiaries wait longer to receive a house.	
Roads and Transport	Assessable and safe access roads	Rate of reduction in the number of households in the serviced area without a basic supply service in terms of roads	Impact To decrease the number of accidents on the roads	This indicator measures the backlog in terms of roads	100%0	100%	40%	Paving and reseal roads	1
Storm Water Drainage	To reduce flooding	To control the flow of rainwater	Flooding	To build and maintain stormwater channels	100%..... [p0000000000000]	100%	85%	Build more channels	1
Waste Management									
Access to Free Basic Services		Percentage of indigent households with access to basic level of water, sanitation, electricity, solid waste removal and roads	Impact	The number of indigent households listed on the municipal indigent database with access to water, electricity, solid waste removal and services as a percentage of the total number of households in a given municipality. "Indigent" means an indigent household whose total household income is less than R1600 per month or such amount determined by Council annually during the budget process.	2851	4200	3867	Register more indigents	
Bucket System Eradication	To improve the health standards	Sanitation	Healthy standards	100% bucket eradication	100%	100%	95%	Completion of gray water plant	2
Operation and Maintenance Plans									
Implementation of the Expanded Public Works Programme									

COMMENTS OF THE PERFORMANCE AUDIT COMMITTEE ON THE OVERALL PERFORMANCE OF THE MUNICIPALITY ON KPA 2:



KEY PERFORMANCE AREA 3
COMMUNITY AND SOCIAL DEVELOPMENT

Functional Area or Development Priority	Strategic Objectives	Key Performance Indicators	Type of indicator	Performance Criteria or Performance Standards (The performance standards developed for each KPI must be allocated weightings that relate to the rating scale of 1-5 in the last column)	Previous year targets and performance (Baseline)	Current year targets	Actual performance against set targets for current year	Measures to improve performance in following year	Rating on a scale of 1-5
Cemeteries and Crematoria							9		
Sporting facilities							6		
Community halls and recreational facilities							7		
Parks and open spaces							38		
Child-care facilities									
Mainstreaming Gender Issues with Gender Policy									
Mainstreaming Youth Issues with Youth Policy									
Mainstreaming Issues of HIV/AIDS with HIV/AIDS Strategy									
Mainstreaming Programmes of the physically challenged									
COMMENTS OF THE PERFORMANCE AUDIT COMMITTEE ON THE OVERALL PERFORMANCE OF THE MUNICIPALITY ON KPA 3:									



KEY PERFORMANCE AREA 4
LOCAL ECONOMIC DEVELOPMENT

Functional Area or Development Priorities	Strategic Objectives	Key Performance Indicators	Type of Indicator	Performance Criteria or Performance Standards (The performance standards measured for each KPI must be allocated weightings that relate to the rating scale of 1-5 in the next column)	Previous year targets and performance (Baseline)	Current year targets	Actual performance against set targets for current year	Measures to improve performance in following year	Rating on a scale of 1-5
District Growth and Development Strategy (DGDS)									
Development and implementation of LED strategy and plan aligned to the DGDS		Number of jobs created through LED initiatives		Definition: This indicator measures the number of jobs created in the Municipal region through different initiatives and programmes. Local economic development (LED) is seen as one of the most important ways of decreasing poverty. Local economic development must aim to create jobs by making the local economy grow. This means that more businesses and factories should be started in the municipal area.		Development of SMME Hub to facilitate training for emerging entrepreneur & unemployed people. Develop Local Economic Development strategy	None. Unit not established yet	Capacity building for LED unit on ensuring that the LED unit is fully functional.	1
		Number of new formal enterprises and cooperatives established in the municipal area of jurisdiction	Output	This indicator measure the number of new businesses established in the municipal region. This includes business in the formal sector, these are businesses that are formally registered have a continuous trade, and permanent employees are captured by several business registers and therefore reasonably well known. Cooperatives means an autonomous association of persons united voluntarily to meet their common economic and social needs and aspirations through a jointly owned and democratically controlled enterprise organized and operated on co-operative principles		Register existing cooperates on SMME database	1		
		% of capital and operating budget used for the procurement of goods and services from SMMEs and BEE enterprises	Output	This indicator measures the percentage of the budget allocated to SMMEs and BEE enterprises		Not budgeted for in this financial year.			
		% municipal budget spent as per the IDP for a financial year (capital and operational)	Output	This indicator measures the spend performance of the municipality. The main purpose is to prevent over-expenditure on the one hand and under-expenditure on the other hand as the latter may have service delivery implications					
Impact of the Expanded Public Works Programme		Number of jobs created through EPWP projects and PPP ventures	Outcome	Definition: This indicator measures the number of jobs created in the Municipal region through the EPWP and PPP projects. The EPWP is one of South African Government's short-to-medium term programmes aimed at the provision of additional work opportunities coupled with training. It is a national programme covering all spheres of government and state-owned enterprises. Public-Private Partnership (PPP) is a contract between a public sector institution/municipality and a private party, in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project.					
Capacity for implementing LED									

COMMENTS OF THE PERFORMANCE AUDIT COMMITTEE ON THE OVERALL PERFORMANCE OF THE MUNICIPALITY ON KPA 4:



KEY PERFORMANCE AREA 5
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Functional Area or Development Priority	Strategic Objectives	Key Performance Indicators	Type of Indicator	Performance Criteria or Performance Standards (The performance measures required for each KPI must be allocated weightings that relate to the rating scale of 1-5 in the last column)	Previous year targets and performance (if available)	Current year targets	Actual performance against set targets for current year	Measures to improve performance in the following year	Rating on a scale of 1-5
Compliance with MFMA		Approved budget by end of June SDBIP approved by end of July Submission of financial statements to A-G by 31 August Submission of annual report to Council by January	Output	To monitor compliance with MFMA timeframes for the preparation and submission of Annual Financial Statements and other reports		May 2009 July 2009 August 2009 January 2009	May 2009 July 2009 August 2009 November 2009	Improve in the next financial year. Function to be performed in house	
Municipal budgets, expenditure and revenue sources									
Financial viability		1. Ratio of debt coverage calculated as total operating revenue received less operating grants divided by debt service payments				0.1	0.09		
		2. Ratio of cost coverage calculated as all available cash at a particular time plus investments divided by monthly fixed operating expenditure.				0.5	0.32		
		3. Ratio of outstanding debtors to revenue calculated as total outstanding service debtors divided by annual revenue actually received for services					0.84		
Ratio of Operation and Maintenance, Salaries and Capital budget		% of MIG funds spent for a particular financial year	Output	The actual value (rand) of Municipal Infrastructure Grant funds expended (report by quarter) as a percentage of the planned Municipal Infrastructure Grant allocation		100%	76%	Improve MIG spending	
		% of MSG funds spent for a particular financial year	Output	The actual value (rand) of Municipal Systems Improvement Grant spent (report by quarter) as a percentage of the planned Municipal Systems Improvement Grant Business Plan allocation for a given municipality.		100%	100%		
Ratio of Grant Dependency									
Revenue raising strategy developed		Revenue generated as a % of projected revenue target	Impact	This indicator measures the revenue generated by a municipality in a financial year		100%	91%		
Debt Recovery Plan developed and implemented		Rate of debt reduction	Impact	This indicator measures the extent to which debt within a municipality has been reduced as per the formulae provided for by National Treasury		30%	+12%	Improve debt collection and implement credit control policy	
Functional Billing System in place									
Implementation of the Property Rates Act		Property Rates Policy adopted and implemented	Impact	(0) Municipality without a Property Rates Policy (1) Municipality with a Property Rates Policy not yet adopted by Council (2) Municipality with a Property Rates Policy adopted by Council (3) Municipality applying the Property rates Policy		1 1	1 1		
		Valuation Roll completed and implemented							
Results of A-G Audit		Improvement on previous years' audit reports	Impact	(1) Municipal Audit Report with a disclaimer rating, but without an Action Plan in response to the Auditor General Report. (2) Municipal Audit Report with a disclaimer rating, and with an Action Plan in response to the Auditor General Report. (3) Municipal Audit Report with an adverse rating, but without an Action Plan in response to the Auditor General Report. (4) Municipal Audit Report with an adverse rating, and with an Action Plan in response to the Auditor General Report. (5) Municipal Audit Report with an unqualified rating.		Disclaimer Disclaimer	Disclaimer Disclaimer	Improve internal control and ensure adherence to policy	

COMMENTS OF THE PERFORMANCE AUDIT COMMITTEE ON THE OVERALL PERFORMANCE OF THE MUNICIPALITY ON KPA 5:



KEY PERFORMANCE AREA 6
GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Functional Area or Development Initiative	Strategic Objectives	Key Performance Indicators	Type of Indicator	Performance Criteria or Performance Standards [The performance standards stipulated for each KPI must be allocated weightings that relate to the rating scale of 1-5 in the next column]	Previous year targets and performance (Baseline)	Current year targets	Actual performance against set targets for current year	Measures to improve performance in following year	Rating on a scale of 1-5
Community Participation Framework		Functional ward committees	Output	This indicator measures the number of functional ward committees. Municipal Structures Act (Act No. 117 of 1998) provides for the establishment of ward committees. Such ward committees are structures created to assist the democratically elected representative of a ward (the councillor) to carry out his or her mandate. Ward committee members are members of the community representing a number of interests within the community and the ward		9	9		
Community Development Worker Framework		Number of Community Development Workers deployed in the municipality	Output	A Community Development Worker (CDW) is a community-based resource person who collaborates with other community workers to help fellow community members to obtain information and resources from service providers. The aim is to assist the community to learn how to progressively meet their needs, achieve their goals, realise their aspirations and maintain their wellbeing. They are participatory change agents.		9	9		
Traditional Leadership consultation and participation system									
Customer service improvement plans									
Functional Audit Committee				Council used the Audit Committee from the District Municipality but it was not fully functional.				A local Audit Committee will be established. The advertisement for the positions on the committee was already run.	
Functional Performance Audit Committee									
Functional Oversight Committee			1	1					
Accountability to stakeholders		Annual report, inclusive of an annual performance report (Section 46 report) tabled to Council in January and adopted with oversight report by end of March			1	1			
Anti Corruption Strategy		Progress in implementing the anti-corruption strategy	Outcome	(0) Municipalities without an Anti-corruption Strategy (1) Municipalities with an Anti-corruption Strategy adopted by Council (2) Municipalities with an Anti-corruption Strategy adopted by Council, and that can demonstrate tangible evidence of performance against the Anti-corruption Strategy. A score of "2" is a requirement of the National Anti-corruption Strategy. Anti-corruption strategy has been developed in order to give effect to the expressed commitment of Municipality to fight corruption	100%	100%	0%		

COMMENTS OF THE PERFORMANCE AUDIT COMMITTEE ON THE OVERALL PERFORMANCE OF THE MUNICIPALITY ON KPA 6:



**KEY PERFORMANCE AREA 7
CROSS-CUTTING INTERVENTIONS**

Functional Area or Development Priority	Strategic Objectives	Key Performance Indicators	Type of Indicator	Performance Criteria or Performance Standards (The performance standards associated for each KPI must be allocated a weighting that relate to the rating scale of 1-5 in the next column)	Previous year targets and performance (Revised)	Current year targets	Action performance against set targets for current year	Measure to improve performance in following year	Rating on a scale of 1-5
Integrated Development Planning		Credibility of IDP							
Spatial Planning (including LUMS, spatial economics and environmental management plans)		Number of nodal development initiatives that have been completed and		0	0	0			
Implementation of the IGR Framework Act		Functional IGR structures	Outcome	This indicator measures whether or not there is an IGR forum, more importantly is the IGR Forum functional. Functionality includes: Operating framework in place There is an MOA signed by all participating stakeholders The stakeholders meet regularly The terms of the policy are implemented	0	0	0		
Implementation of the Disaster Management Act									
Fire Services									
Municipal health Services									

COMMENTS OF THE PERFORMANCE AUDIT COMMITTEE ON THE OVERALL PERFORMANCE OF THE MUNICIPALITY ON KPA 7:

